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In search of alternatives:

The Third World in an Age of Crisis

by Ferdinand E. Marcos

THIRD EDITION

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BY FREDERICK E. MARCOS

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When a Third World leader takes over a nation in a state of disarray, he is immediately confronted with three problems of great magnitude. These are the problems of having an effective system of government; a choice of economic ideology; and, on the contemporary scene, the problem of an impending World War.

The first problem arises from conditions which disturb security or order, such as rebellion or subversion. The obvious response to the problem is to have a government that could enforce the law; in short, an effective government. Usually such a system of government takes the form of a proclamation of martial law.

The term "martial law" is more often than not understood in its European meaning, a swift and ruthless takeover by the military of the entire civil government. Martial law in American constitutional law, however, is altogether different. Martial law under American constitutional law is simply the calling out of the military to strengthen the civil government and enable it to enforce existing civil law. Thus, such authorities on constitutional law as Burdick, Willoughby and Willis are unanimous on the point that martial law "is not a substitute for the civil law, but is rather an aid to the execution of the civil law." As Willis summarizes: "Declarations of martial law go no further than to warn citizens that the executive has called upon the military power to assist him in the maintenance of law and order."

This is the sense or form of martial law that most Third World countries adopt to confront the problem posed by condi-

tions hostile to security or order. Within the limits of American constitutional law, which is identical to Philippine constitutional law on the subject as reflected in the Jones Law of 1916 and the Philippine Constitution of 1935 as well as the Philippine Constitution of 1973, martial law is not necessarily a dictatorial or tyrannical act. A clear demarcation must be made between authoritarianism and tyranny. The authoritarian government is simply one sufficiently strong to enforce existing law; it is subject to limits and controls. The tyrannical government is unbridled, and regards the military as supreme.

American and Philippine laws are likewise identical with respect to the related problems of subversion and sedition. Like the United States Smith Act of 1940, Philippine laws on the subject, such as Presidential Decree 885 and Batas Pambansa Blg. 31, penalize associations or groups of persons organized for the purpose of overthrowing the government or removing from the allegiance to it or to its laws any part of its territory with the open or covert assistance of a foreign power. When the attempt to overthrow the government is not supported by a foreign power, it is rebellion or sedition.

The second problem that a Third World leader of a country in disarray faces is the choice of the economic ideology that would best promote and advance its development and growth. Should he opt for capitalism, or for socialism, or for a mixture of the two systems? Both capitalism and socialism, of course, have been charged with making promises, although socialism may perhaps be said to have overpromised more than the other. In any case, the Philippine experience is that both yield features which may be adopted by a developing nation to its lasting profit.

The third problem is the current one about the imminence of war. Our peoples in the Third World know that a war between superpowers will inevitably involve them. They know why they will be involved: because they are "allies."

They are beginning to ask, however, why they are "allies," in the first place. Are they superb fighters? Is there any advantage to them in case of victory? Is any victory at all possible? Perhaps there are principles which are beyond mere pragmatic calculation?

In another time, these questions were simply answered. But we live in these times. These questions must be asked again and answered anew.

Asia has presentiments of war; since it is liable to be a war between the United States and Russia, it is a war that will engulf us all.

For us in Asia, the basic question is whether America can find ways of averting war—and if not, will she rise to her commitments to Asia?

Our feeling is that we, in Asia, shall be once again left to our own devices in the event of such a war.

Sanguine hopes about the beneficial effects of *detente* on the Third World have all but collapsed. There is a general sense that so long as the prospects for world peace are left in the hands of the two global powers, the United States and Russia, they cannot be anything but dim. The question is, what options are open to the Third World nations? We shall be drawn into the conflict, but to what purpose?

This question is specially poignant for us Filipinos. We sacrificed a million lives in the last war in the Pacific. I believe I can reassure all that should America go to war again, America can count on Filipinos as allies—as we were in Korea, and, to a reluctant extent, in Vietnam. For between these two wars — between Korea and Vietnam — there has to be a discernible erosion of Filipino enthusiasm for what has often been described as "the cause of the Free World."

All the same, we Filipinos have always been America's friends — to the extent that we were derided as "puppets" by

those with whom we share a history of colonialism and a love for freedom. Out of a sense of gratitude — a quality *not* appreciated in international relations—we amended our Constitution to grant “parity rights” to American nationals in the exploitation of our natural resources. Our country was hospitable, as it continues to be hospitable, to American overseas military bases.

No impartial observer has suggested that these abdications of sovereignty were ever beneficial to the Philippines; but, to our people, an alliance is a compact that must be honored.

Let us say now that harsh realities that have unfolded through the years have disenthralled us. And, as we view the clouds of war in the horizon, we ask ourselves whether there is anyone now worth fighting for, other than ourselves. But is there room for innocent bystanders—is nonalignment possible—in a globe dominated by two great powers, two great systems, two contending ideologies?

I will recall to the reader that we Filipinos long ago chose freedom. Generations of our young people died for it in three wars of national liberation: against Spain, against the United States, and against Japan. I myself fought for that cause in the last war. This willingness to stand up for our liberty is true, I dare say, of many peoples of the Third World. Freedom is a resounding cry for us who have been colonized for centuries and decades.

But will the cry for “freedom” echoing now from the United States be so compelling as to enlist our allegiance in yet another war — a war that could destroy us all?

This is *our* predicament in the Third World. If America and Russia shall fall to arms, which side shall we be on? In a continuing confrontation apart from war, what system, what ideology, should we adopt? By the very arrangement of the

world, this is ultimately the choice being imposed on us; and we believe — and I believe — that the alternative is unacceptable.

There has to be another alternative.

The realistic aspects of this proposition are, of course, quite discouraging. The rivalry between the two great powers is too deep to be uprooted. As clearly as a century and a half ago, Alexis de Tocqueville, in his brilliant study of democracy in America, observed that “there are at present two great nations in the world, which seem to tend towards the same end: I allude to the Russians and the Americans. Their starting point is different, their courses are not the same; yet each of them seems to be marked out by the will of heaven to sway the destinies of half the globe.”

The Cold War confirmed the prophecy; a Third World War will carry it to its logical limits: for again, half the globe will be swayed to one side or the other.

A passive acceptance of the way things are is *seldom* the most realistic course for any nation — least of all the developing ones.

We have just begun the reconstruction of our own destinies. Given the farce and tragedy that is history, our success or failure will be less important, perhaps, than our singular attempts to take our fates into our own hands. With the only power that is truly ours—the power of thought—we are starting to make clear to ourselves the essential meaning of our humanity and our obligations towards it, as leaders and peoples in the Third World.

We gaze clearly at the alternatives being imposed on us, and while we may not yet say, “A plague on both your houses!,” we examine them—capitalism and socialism, the American way and *their* way—and this is what we find.

For so long has the West, now symbolized by America, been derisive of the spirituality of Asia, the East, and much of the Third World. Perhaps, this is at the root of our misunderstandings, that Americans go by "hard facts" while we argue complexities and the "unseen." As a Filipino, in many ways nurtured in the American tradition, I am disturbed by Solzhenitsyn's comparison of the materialism of the left, which is socialism, and the materialism of the right, which is capitalism. And Solzhenitsyn goes on to say "that the interrelationship is such, too, that the current of materialism which is most to the left always ends up by being stronger, more attractive and victorious, because it is consistent. Humanism without its Christian heritage cannot resist such competition." But I am more deeply disturbed by Solzhenitsyn's passionate conclusion:

"But should someone ask me whether I would indicate the West such as it is today as a model to my country, frankly I would have to answer negatively. No, I could not recommend your society in its present state as an ideal for the transformation of ours."

Every Filipino that I know, every Asian, who has any consciousness of human destiny, feels that any sacrifice of his life and his family's life to a war that America will lead must first pass the test of integrity. After all, it is his one and only life: there must be a meaning to his sacrifice—something more than just to make the world safer for America. In another place, Toynbee phrased it in words that will be familiar to all: "No annihilation without representation!"

Whither "Pax Americana?"

If the world order as we had come to know it after the Second World War commanded our adherence and allegiance, it was because this order promised stability and universal prosperity. In part, and for a time, this promise was fulfilled. At Bretton Woods, a new order to be widely regarded as *Pax*

Americana was the phoenix rising from the ashes of war and the debris of the Great Depression.

Until the end of the 1960's a relatively stable international monetary system prevailed, with the dollar as the dominant currency. Liberal policies had brought about an unprecedented expansion of trade, although the nature of specialization between the industrialized countries and the emergent Third World nations left much to be desired. Dollar investments, too, had grown dramatically, in great part to finance post-war reconstruction, although again the direction of these investments tended toward Europe. In any event, however, these various economic stimuli were felt worldwide, and with the initial expansion of productive capacity in the Third World countries, the general belief was that development would be their condition of existence.

A particularly significant subplot to this story is that the United States, in pursuit of its "enlightened self-interest," took up the anti-colonial cudgels for the Third World. American policy-makers looked reproachfully on the attempts of the European powers to reestablish their domination over the Third World countries. A century earlier, Britain had in the same spirit called for a parallel "free trade" policy—Britain being then the dominant economic power, the "workshop of the world."

The motive of self-interest notwithstanding, this American encouragement of anti-colonialism unleashed a tide of nationalist sentiment in Asia and Africa. The nature and extent of this Third World nationalism American policy makers will now have to reappraise.

The first two decades after the Second World War, then, were—to extend Galbraith's meaning—a period of affluence. Beneath this affluence, however, beneath the relative calm and stability of the world order, there lurked economic and political contradictions that gnawed at the fabric of the system. The

symptoms of disorder were well in evidence toward the end of the 1960's. The diseases themselves were to break out in the 1970's.

We now find ourselves in an Age of Crisis. We now find ourselves in a world where the art of statesmanship is being transformed into "crisis management."

If one were to identify three characteristics of the desperate plight to which the world community has been brought—for, indeed, the affliction is common and contagious—they would be: *first*, inflation and recession; *second*, the economic, ideological and, increasingly, military confrontation between the two super-powers—the United States and the Soviet Union; and *third*, the other confrontation between the rich and the poor countries—the developed North and the underdeveloped South.

Inflation and recession are the Homeric rock and the whirlpool between which the international economy must steer. Inflation is today's human condition, afflicting even the socialist countries. Recession in the developed countries means economic catastrophe for the Third World exporters.

It is *stagflation* which exposes the basic flaws of the world economic order—an economic order that is capitalist in orientation. Economists who cling naively to their belief in a *natural equilibrium* built into the market system commonly regard its many problems as "imperfections" that are merely brief and temporary. A more serious examination of stagflation does not encourage sympathy for such a view.

The ominous signs of inflation had hovered above the international economy even before the 1970's began. I think it pernicious to place all blame for its prevalence today on the oil-producing countries. The successive oil-price increases have, no doubt, abetted the spread and rise of inflation. But we must look for its root cause elsewhere.

But when we do, we shall find that the United States cannot escape a good portion of the blame. The huge outflow of dollars—current estimates put the dollar “overhang” at around \$800 billion—has severely undermined the world money system which, since Bretton Woods, has been based on the *continuing* stability of the American dollar.

This has caught Third World countries in a particularly cruel dilemma. Inflation is continually eroding their reserves, which they hold in dollars. Yet they cannot convert their dollar-holdings to other reserve-currencies, for to do so would have a disastrous impact on the monetary order—and further depreciate their dollar-reserves.

What has caused such a massive outflow of dollars? The problem is as involved as it is intricate. Expressed as it often is, in the ideological language of either capitalism or socialism, it does not easily lend itself to dispassionate explanation.

The socialist view, of course, is that imperialism is the culprit—that, as with Britain in the nineteenth century, the prodigious expenditure of the dominant currency was meant to finance the cost of empire.

This cost consisted of keeping the “Free World” receptive to American business; and of punishing recalcitrant states—the convenient example being Vietnam. The cost of Vietnam is truly staggering. The war drastically aggravated the American deficit and unmade American foreign policy. It is Vietnam—more than any other issue—which lent credence to the socialist charge of American imperialism—an accusation still reflected in Third World perceptions of the North-South confrontation.

It is Vietnam, too, which put to doubt the American capacity—ideological, moral and physical—to take up the leadership of the world community. These doubts have raised problems all over the globe. Various parts of the Third World are besieged

by the so-called "national liberation movements." And the Soviet Union has stepped up its own efforts to impose its dominance on other countries. Both these problems spring from the widespread perception among other countries of a steep decline in American might.

Toward a New Cold War

Today's face-up between the United States and the Soviet Union, triggered off by what people widely see as Soviet interventionism in Afghanistan, is naturally of vital concern to all mankind. As the Western media daily remind us, the United States will regard any Soviet incursion into the Persian Gulf as an invitation to war. For us bystanders, the grim liability is that either side—or both—may venture well *beyond* saber-rattling.

Detente has all too soon become *mere* wishful thinking. Increasingly, we find ourselves once again inhabiting a *bipolar* world, where a not-so-cold war rages. But history never repeats itself in the same terms. In Marx's perceptive comment, the first even appears as tragedy, the second a farce.

The new trend toward polarization that is developing is different in a crucial way from the Cold War world of the 1950's.

Then, the Third World countries had just emerged from colonial bondage. Exultant in their new-found freedom, they were confident that material prosperity was within their grasp.

As for the United States, it was at the peak of its power. The dollar had replaced the pound sterling as the dominant world currency. And an economic order was taking shape, which had both Western Europe and the new countries of the Third World virtually dependent on the United States.

Some historians until now claim that the Cold War was largely a bait dangled before Congress to catch bigger appropriations. This seems far-fetched. What is certain is that when the

Cold War began, the Soviet Union was engaged in post-war reconstruction—and hardly in a position directly to challenge the United States.

The new Cold War that the 1980's seem to have brought us is much more complicated. *First*, a true balance of forces has come about between the United States and the Soviet Union. (Some analysts even claim that the Soviet Union has an edge in military capability.)

Second, disenchantment and disillusion have come upon the Third World countries. Despite two "Development Decades" pronounced by the United Nations, they are finding themselves in wretched economic circumstances. In fact, some poor countries are today worse off than they were at the time of independence. As a result, Third World leaders are increasingly disenchanted over "Western" models of development, and more and more persuaded that the world economic system is premised on domination, and indeed on exploitation.

For the Third World then, a choice—assumed by polarization—between capitalism and socialism is a hard one to make. And it is a choice not made any easier by the fact that the rich countries—the staunchest capitalist countries—have themselves come to practice a degree of "socialization" in their economic life; while the Socialist countries have either inflicted on the weaker their own version of imperialism—or promoted some form of capitalism on the pretext of releasing the "productive forces" in their home economies.

In any event, a country, like an individual, in real life never makes a choice in the abstract. Whether a Third World country elects capitalism or socialism—more likely, another alternative between or beyond this dichotomy—depends as much on its concrete social circumstances as on external pressure.

Then also, we must first of all come to an understanding of what capitalism and socialism are about, if we are to appreciate their prospects in the Third World.

For the peoples of the Third World, capitalism invokes a variety of meaning. And, judging from the increasingly strident depreciation of the world capitalist economic order being made by the Third World countries at UNCTAD and other forums, capitalism would seem to have fallen into ill-repute. While few Third World countries have actually turned socialist—the path of socialism is paved in bloody revolution—many of them have come to accept the socialist, specifically Marxist, critique of capitalism.

To the voices of Asians and Africans have been added those of Latin Americans, combining in a formidable assault on the strictures of capitalism. To the traditional Leninist concept of imperialism—which seeks to show capitalism's inherent drive for expansion and aggression—the Latin Americans have advanced the complementary notion of under-development—which describes the impact of the West on the colonial countries of what we now call the Third World.

Capitalism and its Discontents

We may therefore generalize that many Third World countries regard capitalism in largely negative terms. One must add, however, that we are speaking here of capitalism as it has historically unfolded, and in forms it has assumed from time to time. The crucial issue which underlies the ideological debate between the superpowers is whether these forms are *unalterable* and *necessary* aspects of an "essential" capitalism.

For example, is imperialism—which social science seeks to banish from the language of reputable scholarship—the inevitable product of capitalist development? Or is imperialism the product of human frailty, of human short-sightedness, of cultural ideological atavism?

That the Third World countries have sought to advance—through UNCTAD and other conferences—their interests within the frame of the world economic system indicates that that system, universally understood as capitalism, is amenable to change.

On the other hand, the intransigence of the so-called Group A countries in negotiations of this nature, their refusal to concede any but token reforms—this intransigence of the rich countries tends to encourage the view (enthusiastically endorsed by the socialist countries), that domination and exploitation are the stuff capitalism is made of.

These are all vital issues which must engage our immediate attention. The harsh experiences of Third World countries during the period of colonialism—the plight of what Frantz Fanon calls the “wretched of the earth”—all too easily arouses an emotionalism that we can ill afford.

In the World where the two superpowers are at each other's throat; where revolution and terrorism are endemic; where oil prices escalate and inflation rages; where the monetary system is on the verge of breakdown; in a world where crises and doomsday predictions are common occurrences—in such a world, the exercise of reason and sobriety, the clearheaded appraisal of options becomes a supreme virtue.

To go back then: capitalism in theory and practice needs judgment on several charges.

First, it is charged that capitalism is basically expansionist, that it is *ultimately* responsible for imperialism. Imperialism in this case refers both to the colonial period and the “neo-colonialism” of the post-war period. Further, imperialism implies a system of exploitation by the developed countries of the under-developed ones.

Second, capitalism is charged with being irrational and, specifically, with being wasteful. It operates on the basis of pro-

fits—which produces efficiency at the level of the firm and wastefulness at the level of society as a whole. Therefore, capitalism cannot promote “universal harmonies,” and cannot ensure sustained development in the Third World countries.

Third, capitalism is seen as having both a national and international “moment” from its inception. This is the contribution of the Dependency Theory, a refinement of Trotsky’s famous “law” of the combined and unequal development of capitalism. Trotsky theorized that the *development* of capitalism in Europe and the United States *required the underdevelopment of outlying areas*—initially through trade and subsequently, through the influx of foreign capital under the protection of colonial empires.

Marx argued that colonialism will “develop” the colonies by subordinating existing “modes of production” to capitalist relations of production. The “dependency theorists” refute this. They argue that colonialism has despoiled the Third World countries through the systematic transfer of “surplus”; and that colonialism has entrenched agrarian interests rather than subordinated them to capitalist relations of production. The dependency theorists argue that the development of world capitalism has resulted in a structure broadly made up of “central” or “metropolitan” countries and of “peripheral” or “satellite” countries.

Fourth, “true” capitalism, in the sense that it was experienced by today’s industrial countries, is impossible to realize in the Third World countries. The economic and social structure at work in the Third World countries is grossly distorted.

It is oriented externally, and is dependent on the developed countries for its trade, capital requirements, technology, and even culture. The outflow of capital far outweighs its inflow. The marginal propensity to import is so high that the internal market expands largely as a function of trade.

Development is blocked because investments are directed toward the primary and tertiary sectors; because their multiplier

effects are lost in the drainage of capital through various ways, and because the economy is not integrated. These are the conditions that the Latin American colonists call "peripheral capitalism." They are the very conditions of underdevelopment.

FOR MANY Third World countries, the prospect of attaining "true capitalism" can be realized only through radical action: This includes the nationalization of industries or, at the very least, the strict regulation of multinational activity and of capital movements; the disruption of existing trade patterns through tariff protection of vital industries, and differential foreign exchange rates to favor certain industries. The Latin American countries of the Andean Pact are modestly pursuing this economic course.

It remains to be asked then: is the pursuit of a radical course—short of socialism—toward attaining "true" capitalism possible and desirable?

Socialism: Promise and Practice

At the other end of the spectrum, the history of socialism does not encourage our *unreserved* subscription to it. Like capitalism, socialism in practice makes one wonder if the theory itself is not at fault: in the particular case of Marxism, whether its philosophical premises are not hide-bound to a very specific perception of nineteenth-century Western society.

The record of Soviet socialism scarcely makes easy the choice between capitalism and socialism. To the capitalist international division of labor, which militates against the independent and sustained development of the "periphery," Soviet theory offers a parallel in the "social division of labor"—by which the Soviet Union has reduced to satellites the Eastern European countries.

And no less than the United States does the Soviet Union act as a policeman in its own "sphere of influence." Recall, for instance, the occupation of Dubcek's Czechoslovakia in 1968. And

again, no less than the capitalist peripheries are the economies of the Council for Mutual Economic Aid countries distorted—despite their substantial progress in industrialization.

The pace at which the Soviet Union has industrialized is, of course, impressive. This is precisely the appeal that socialism so strongly exerts on the peoples of the Third World. What needs to be recalled, however, is the material and human cost of this forced-draft industrialization.

As with England vis-a-vis Ireland and Scotland, and the United States vis-a-vis the Southern states of the "Confederacy," so did Russia in its initial phase of development, bind the other Soviet Republics to a division of labor not unlike the colonial system. (In fact, contemporary writers use the term "internal colonialism" to refer to this method of despoliation.) Since the Soviet economy was centrally planned, it could pursue industrialization zealously during the 1930's—with the additional stimulus, widely and repeatedly publicized by authorities, of the threat of war. Mayakovsky, a prominent Russian poet, exemplified the zeal with which the drive toward greater productivity was carried out, when he exhorted poets to increase their poetic "output," to raise their literary "quotas."

It is not for us to sit in judgment on this enterprise; we have the word of socialists themselves. Despite the post-war trend of de-Stalinization, Milovan Djilas, an associate of Tito, warned of the rise of a "new class" in the Soviet Union. This new class consisted of state bureaucrats who—not unlike the capitalist *bourgeoisie*—gathered *all* state and economic power into their hands. Indeed, the *bureaucratization* of national life has become far more pervasive and more profound in the Soviet Union than anywhere in the Western world.

All these trends raise basic questions about the validity of the entire socialist perspective. While it may be true that workers receive large social benefits, do not the exactions of the

socialist state correspond *in essence* to the "appropriation as surplus value" that Marxism identifies as the basis of exploitation? Further, is not the "withering away of the state" that Marxism conceives to be the fulfillment of socialism becoming all the more remote? The exact opposite is occurring: the state is only too obtrusive, the "dictatorship of the proletariat" inescapable.

What Third World countries find particularly disillusioning is the extent to which basic freedoms are being curtailed in the Soviet Union.

Socialism — on the premise that social conditions determine the quality of man's life—would liberate the human potential. Capitalism (the socialists argue) is alienating; it reduces human energy to no more than a market commodity. How fares the socialist man?

That Sakharov and other dissidents should find themselves persecuted for expressing their beliefs does not inspire much confidence that socialism is the answer to capitalist alienation. As one writer so astutely remarked the liberation of men does not necessarily imply the liberation of *Man*.

In any event, the paramount issue that must be addressed is the aggressive, indeed belligerent, conduct of the Soviet Union in Africa and, recently, in Asia. It is a belligerent conduct, moreover, that comes ironically accompanied by an ideological call for world peace. Forums attended by the Soviet Union and its allies or sympathizers uniformly stress this theme of world peace. For us in Asia, recent events in Afghanistan and Vietnam tend to muffle this drumbeating.

It is particularly telling that the two great socialist countries—the Soviet Union and China—have become the bitterest of enemies, accusing each other of being expansionist. The issue, according to the invectives used, lies between "hegemonism" and "Big Han chauvinism."

The view offered by China is that the Soviet Union has become "revisionist." Revisionist we take to mean that, among other sins, the USSR has taken on a capitalist orientation. Hence, its need for expansionism. However, recent events in China—specifically the effort to *demystify* Chairman Mao Tse-tung—tend to indicate that the People's Republic itself is just now in the hands of "capitalist roaders." This political transformation in Peking could have profound implications for Chinese society.

These developments in both China and the Soviet Union defy traditional Marxist propositions. Marx had imagined that every mode of production eventually gives way to a new and superior one. Once again, reality has proved more complex than abstract theory. Just as reality has compelled the capitalist countries to adopt "socialist" programs, if not methods, so has it forced the socialist countries to apply capitalist techniques.

Toward an Alternative

The theoretical as well as practical issues raised by the choice between capitalism and socialism are *not* easily resolved. I shall not venture to resolve them here. So far I have tried to show how *one* Asian leader tends to view the rival inducements of capitalism and socialism, which bipolarization forces on all of us who lead Third World countries. On the basis of my meetings at ASEAN and my talks with other Third World leaders, I would say that my perception of these alternatives is widely shared.

And I could cite objective proofs to indicate that my sentiments merely reflect a general Third World feeling. The proceedings at UNCTAD alone reveal how critical most Third World countries have become of the capitalist world order. On the other hand, the general apprehension over Soviet intentions in Asia and renewed Third World vigilance against subversion

(largely from factions inclined toward Communism) demonstrate just as well the growing unattractiveness of socialism for many Third World countries.

Is there an alternative for the Third World?

I am convinced that there is. And conviction does not spring merely from the vain hope that men always have, for something better, when faced with an unpleasant choice. Once again, there are objective criteria to justify this conviction. To my mind, we may already glimpse the contours of such an alternative in the theoretical propositions of UNCTAD and, perhaps more basically, in the direction toward which the entire Third World is veering. What we have to do merely is to identify this emerging shape, to plot the new direction.

UNCTAD has been instrumental in laying the groundwork for this alternative. It was Raoul Prebisch, the guiding spirit and first Secretary-General of the UNCTAD, who first voiced out the economic aspirations of the Third World countries and identified the obstacles to their realization. Subsequently, this position came to be adopted by the Third World countries, as represented by the "Group of 77."

The issues that Prebisch raised were those that would later be refined by the so-called Dependency Theory, which I have referred to. While Prebisch's analysis was severely critical of the effects of world-wide capitalist development, it did *not* encourage subscription to the socialist option. The Latin Americans would subsequently label his method of analysis as "structuralist." In this structuralist analysis, we find the theoretical basis for the alternative path to development which many Third World countries have come to follow.

Among the terms used to describe this type of development, "state capitalism" seems the most appropriate. The term implies three basic elements: 1) a strong government capable of planning and moderating economic activity; 2) an economy mo-

tivated by entrepreneurship; and 3), in the concrete conditions of the Third World, a nationalist orientation.

The notion of planning and state intervention in economic affairs has passed from novelty to orthodoxy. Keynes had, of course, counselled such a course for the developed countries—to check what he called “liquidity preference,” given a high rate of interest; and to spur investments on. The profound implications of this course have challenged even Marxist analysts. The postulate that the state is simply the instrument—the executive arm—of the ruling class has been put into doubt. There is now grudging acceptance of the fact that “state managers” exercise a wide latitude in making decisions—indeed, that such decisions represent the vectors of diverse interests.

Third World governments find even more vital and pressing the need to plan—and to intervene in—economic affairs. In the developed countries, the pattern of production and distribution has been more or less established; in the Third World, the distortions and disintegration of economies make for violent fluctuations in economic activity.

Inevitably, Third World governments find that they must orient themselves along nationalist lines. We cannot gloss over the propositions put forward by the Third World countries in the call for a New International Economic Order. While many of these propositions may prove too radical for immediate implementation—the Charter of Rights and Duties of States, for example, gives the Third World countries the option to nationalize industries—they *can* and *will* be used under trying circumstances.

This direction toward which the Third World is veering, this alternative, demands a political as much as an economic transformation. The last decade saw the rise of strong governments in many parts of the Third World—and this is no accidental phenomenon. It is a *necessary* corollary to the economic upheaval taking place in our part of the world.

The United States had tended to regard this trend with alarm. The reason for this is the popular and romantic American notion that where "liberal democracy" does not prevail, there can be *no* democracy at all. Part of this notion is the belief that strong governments are *necessarily* tyrannical governments.

Such a view must be revised. We need to reappraise the nature of democracy and tyranny.

Authoritarian Governments

I repeat: we in the Third World have chosen strong, nationalist governments that are neither completely capitalist nor completely socialist. (See Appendix V for clarification of such country)

Our choice of authoritarian governments has been much misunderstood by the West—particularly by the former colonial powers of Western Europe and the United States. The nationalist cast of our governments they find easy enough to understand—but not our bent towards authoritarianism.

Perhaps this misunderstanding comes from a disappointment in being rejected as a model of development. Perhaps it acknowledges a failure in colonial tutelage. From this disappointment comes the Western accusation that the leaders of these authoritarian governments are no better than despots. The accusation brands us tyrants in the same mold, and in the same tradition, as Western tyrants in Western history.

We who are falsely accused of tyranny naturally resent it. For many of us were educated in the history and culture of our colonizers. We are therefore well aware of the Western tradition of tyranny. And we are one in saying that those Westerners who accuse us are wrong—for they have failed to distinguish tyranny *from* authoritarianism.

The distinction is critical to us in the Third World—especially so when we consider certain lessons of history. One of these lessons is that the conditions that have led to tyranny in

the West are painfully similar to the conditions that have led us to accept authoritarianism in our part of the world. Note this distinction carefully: where the conditions often led to tyranny in the West, similar conditions have led us instead to authoritarianism.

The preeminent lesson in the history of tyranny is that of social upheaval. The lesson is simply this: periods of social upheaval often precede periods of political tyranny. Social upheaval in this sense means the breakdown of old relationships; the emergence of new classes, the rising contrast between new wealth and the increasing impoverishment of the masses of the people—all of which bring about class war.

Greece and Rome of the classical period offer two examples of this type of social upheaval. In Greece, tyrants arose soon after the fall of the tribal kingdoms described by Homer—the same pastoral and peasant societies immortalized by Hesiod.

Such a period saw the aristocratic tribal system giving way to the class structure of the city-state or *polis*. The expansion of commerce raised a new class of citizens—seafaring merchants rich and powerful enough to rival the hereditary chiefs and landowners. The rivalry between the hereditary rulers and the new class generated an upheaval—out of which emerged the *tyrants*—men who came to power in a *nontraditional* way—by popular acclamation or by force, rather than by succession.

One could see how the original tyrants might very well have been “untyrannical.” Some represented the oppressed classes, and were supported by these classes in their bid for power. Indeed, it was only after some time that the pejorative sense in the term *tyranos* was to gain acceptance. This situation arose mainly from—to coin a phrase—the “bad press” the tyrants were to receive in Plato’s *Republic* and Aristotle’s *Politics*.

We must put in its proper context the criticism of the tyrants by the two classical philosophers. Plato and Aristotle con-

demned the tyrants as "unjust men": men who, in illegally capturing power, concentrated legislative, executive, judicial and even military power in themselves, therefore they "must be condemned as having no sense of appropriate natural and political limits and treated as enemies of society."

Such condemnation, of course, proceeds from the premise that tyrants have no place in the natural order of things—where both nature and society behave in a logical manner (as in Aristotle), or where a well-ordered Republic can be established by sheer intellectual effort (as in Plato).

Unfortunately, such classical formulations took no heed of the reality that confronted the tyrants—the social and economic climate that often led them to take the courses they took. I have no wish to exculpate the tyrants—2,300 years too late. I wish merely to show how different perceptions may result in differing evaluations. This is a lesson that we have not completely learned until today.

In ancient Rome, we had a situation that is the *direct opposite* of the Greek model. Here we had a small city state—based on a peasant economy and ruled by an exclusive conservative aristocracy—that, by force of arms, suddenly became the ruler of the known world.

The task of governing a large empire forced the Romans to create rigid social structures; and the spoils of victory corrupted their traditional morality. As in Greece, a new wealthy class emerged, while the poor of the Roman capital grew poorer and poorer. And into Rome flowed streams of migrant-peasants, driven out of the *latifundia* or landed estates by cheap slave labor; or out of their own small farms made uneconomical by cheap, imported corn—all of them destined to swell the ranks of the Roman proletariat.

Under these conditions, the inevitable upheaval took place. The magistrates elected to a one-year term soon proved clearly

unable to govern an empire; and into Rome marched a succession of centurions to set up the *Pax Romana*.

From these examples of Greece and Rome, one immediately notes the classic case. Tyranny proceeds in the name of order; it justifies itself by the need to arrest the breakdown of familiar social institutions. Maurice Latey in his classic, *Tyranny: A Study in the Abuse of Power*, puts the equation this way:

"The more thorough the collapse, the more likely it is that those most alienated from existing society will take over; and the greater the alienation of the rulers from existing society, the greater the necessity for tyranny."

And, lest I be accused of limiting my argument to the set-piece examples of Greece and Rome, let me proceed to other historic instances.

In Renaissance Italy, the same upheaval occurred. There, also, feudal society broke down more rapidly than in other European states. Once again, mercantilism was the instrument of change—bringing new wealth to the *grandees* and added poverty to the people. But here, as the sixteenth-century Florentine historian Guicciardini notes, one other factor was at work—a decadent and wordly Church united with secular tyrants. Guicciardini wrote:

"No man is more disgusted than I am with the ambition, the avarice and the profligacy of the priests; not only because each and all of them are most unbecoming in those who declare themselves to be men in special relation with God, and also because they are vices opposed to each other that they can only co-exist in very singular natures."

The union of secular with religious vices was to reach its apex in the Borgias—particularly with the Borgia pope, Alexander VI, and his son, the rapacious Cesare Borgia.

We see the same cause and effect—of upheaval and tyranny—at work in the France of the Revolution: the Terror and the consulship turned *imperium* of Bonaparte.

Many of us will immediately concede that Napoleon was a tyrant. But there are few of us who would stop to think that Robespierre, the heroic revolutionary, was *equally* a tyrant. Let me quote Latey once again on this period:

“Robespierre saw the Reign of Terror as a sharp surgical operation which would bring in the Reign of Virtue. In fact operation followed operation until the patient was so weakened that he lent himself readily to the military regime of Napoleon.”

Much closer to our time, we have had the examples of Mussolini and Hitler. The conditions that gave them the opportunity to strut their brief and bloody hour on the worldstage are recent enough for us to concede that their Italy and their Germany, too, were beset by social upheavals and the breakdown of social institutions.

But precisely because Hitler and Mussolini are the most recent examples of tyranny, it is from them that I propose to draw two salient lessons of history. Lessons that are, to me, the *critical* considerations for making the distinction between tyranny and authoritarianism. For let us not forget that similar conditions, the breakdown of social institutions and social upheaval, attend the rise of authoritarianism in the Third World.

The two lessons are:

First, that tyranny exists where the military is supreme and civilian authority holds no sway over them. Conversely, authoritarianism is a situation where the military, though playing an important role, remains subject to civilian rule. In Fascist Italy, Mussolini was *Il Duce*. In Fascist Germany, Hitler was *Fuhrer*. Both of them were in command—not only of national armies but of paramilitary political organizations.

But even this is not a recent lesson. Here is a quotation from Machiavelli's classic, the *Prince*:

"... Whereas in other principalities the ambition of the nobles and the insolence of the people only have to be contended with, the Roman Emperors had a third difficulty in having to put up with the cruelty and avarice of their soldiers, a matter so beset with difficulties that it was the ruin of many; for it was a hard thing to give satisfaction both to soldiers and people."

Toynbee echoes this theme in *A Study of History*:

"The authority and prestige of an Augustus or a Hadrian might for a time keep the legions and the Praetorian Guard under control. But even during such intervals as the Antonian Age no effective tradition of subordination of the military to the civil power was established."

The second lesson is equally important: tyranny is *unbridled* while authoritarianism has its limits and its international controls. This is what I intend to show in my discussion of the Philippine experience.

Once again, the examples of Mussolini and Hitler are instructive. But even more fascinating (if one may use this term in such a context) is the portrait drawn of the Renaissance Italian princes—perhaps the most graphic example yet of tyranny unbridled. Latey has this to say about them:

"The profusion of tyrannies in Renaissance Italy is the other side of the coin to the marvelous flowering of the arts and sciences... The Italian despots owed allegiance to no power in heaven or on earth. The state became the canvas on which the ruler painted his self-portrait; his subjects were the raw materials on which he worked, according to his individual whim. . ."

I submit these distinctions, then, for the consideration of our critics. I repeat: *authoritarian regimes maintain civilian supremacy over the military; tyrannical regimes do not.* Tyrannical regimes are unbridled; authoritarian governments have limits to their powers.

(See Appendices for listing of authoritarian governments)

Voices for Change

If there are strong voices—like Douglas Dillon's—calling for some changes in the American political system, how much more of the countries of the Third World? In the euphoria of Independence, most of us introduced into our political system Western types of political structures. Only a few years later, these institutions began to break down.

In the words of the scholar Rupert Emerson, what occurred was the “failure of a series of experiments in grafting an alien form of government on peoples whose background and circumstances are totally dissimilar from those among whom it originated, and who were, in virtually every count, demonstratively ill-prepared to make it work.”

But even the developed countries of the second half of the twentieth century are not immune from the call of strong governments.

The French Republic between 1940 and De Gaulle, together with contemporary Italy, are examples of how the parliamentary structure can bog down in near-chaos. The common reason is that the executives of government—the Prime Minister and his cabinet—can rule only with majority support in a parliament. This would not be a problem, if this support for one or another leader could always be obtained. But such are the divisive tendencies of human nature and of special-interest groups that all too often, no single leader can get a *stable* majority behind him.

What we ask of the developed countries, whether of the West or of the East, is, therefore, to let the Third World find a *Third* way. We must now create a political and economic system responsive to our unique character and our special realities. Many people are aware, I'm sure, that almost all nations today, since at least ten years ago, have been with varying degrees of intensity attempting precisely to find such a political and economic system suitable to their conditions and aspirations. (See table)

In what I think is a perceptive analysis of democracy in the state's decision-making process, Professor Hayao Shimuzu has this to say:

"The highest organ of state power in Japan is, of course, the National Diet; state policy is formulated by the Diet as legislation and put into force by the government machinery. However, in view of the responses to any number of incidents—the so-called Nixon shocks, the oil crisis, the landing in Japan of a Mig 21 whose pilot was fleeing the USSR, last fall's airplane hijacking and the recent Japan-US trade negotiations—it is apparent that neither the Diet nor the administration had adequately adapted to the sudden changes in the international environment, that the Japanese government is being outmaneuvered again and again . . . what is required is prompter governmental responses, through a system of lining up opinion and putting policy into action, that can cope even with sudden happenings."

Here we see Japan—an industrial nation—concerned with its political maneuverability. We in the Third World are concerned with our very survival. Thus, Professor Shimuzu's conclusions are even more vital for us.

The first of these is that "consensus-building politics *may* be effective in times of peace, but it is a harsher environment that Japan will face in the twenty-first century or even as early

as the 1980's." Professor Shimuzu therefore calls for measures to consolidate the government's leadership.

The second is what Professor Shimuzu calls "the adherents of democratism," while worshippers of the democratic faith "are hardly the ones to make democracy work."

Professor Shimuzu argues that Japan must not succumb to what he—rather uncharitably—calls the "British disease" and the "Scandinavian disease." He says: "We must search instead, for a Japanese-style welfare state, one that is appropriate to Japan."

If a rich and industrially powerful Japan, conscious of a malaise in its social system, seems ready for stronger leadership, what more can we expect of the developing states—whose main concern in this century is sheer survival?

I have been often asked what would happen if the present administration of the Philippines would fail or fall?

Without answering this question directly and categorically, since I am confident the present administration will not fail, I would like to review the incidents in Kampuchean leading to the liquidation of almost half the population of that unfortunate country. When the United States supported the Lon Nol administration, Prince Norodom Sihanouk was compelled to support the Communist elements, the Khmer Rouge, in the belief that the Khmers will install him as the head of state after their victory. Unfortunately, after the victory of the Khmer Rouge and the flight of Lon Nol from Kampuchea, Prince Sihanouk is practically a prisoner of the Khmer Rouge and has not exercised powers since then.

The bloodbath committed by the Pol Pot forces followed and this was picked up as a reason for the Vietnamese intervention in Kampuchea.

This tragedy has been repeated in the African countries as well as the South American countries.

The pattern is now obvious that when a Democratic or a Liberal regime falls, it is usually not the moderate political party that considers itself the legitimate opposition which takes over the power, but the more militant, the more forceful and ruthless party, the illegitimate opposition, which is the Communist Party, which takes over.

There is no compromising with the radicals and a Communist Party.

I am not saying that this would happen in the Philippines, or such a possibility is high, but unless I can train my successors to protect the liberties and the freedom that we have established and the parliamentary system that we are establishing, any failure on our part will end up with the Communist Party taking over the Philippines and the elimination of American influence in the country.

Information Imbalance

The point is that the Third World is no longer content to be the passive subject of social and political experiments conducted by outsiders. It must now venture in its own explorations to find the conditions of honorable national existence.

This Third World impatience to chart its own way—even to make its *own* mistakes—is implicit in its effort to bring about a new international economic order. The West must make some effort to understand the anxieties of the poor countries about the exploitation of their resources—material as well as spiritual—by the contending superpowers.

I do not deny that there are thoughtful Western journalists who try to redress the emphasis that the Western press often lays on the social disfunctions in developing countries: for in these countries, people see the roots of national problems in the vestiges of Western imperialism.

At this point, we must recall the Third World's aspirations and their capabilities in media development. The American press

achieved the influence it maintains—if now perilously—because it has the largest worldwide media transmission and technological system. It initially gained an international audience because of the quality of its reporting and the integrity of its commentaries.

But when the American press—particularly the wire services—chose to interpret events in other countries from an increasingly partisan point of view, it became threatening, and in some cases, provocative.

The overwhelming amount of information carried by the Western media is an issue that the Third World has raised. The accusation is that this has created an imbalance in the information flow. To these issues, discussions sponsored by the UNESCO have addressed themselves.

Western journalists have argued that to limit the flow of information, or access to information, would hinder the workings of the very same institution which has made possible the current worldwide awareness of the Third World agitations for a new international economic order.

I must stress that it is not the information flow nor the access to information that we question, but the *content* of such information. Western press reports about government failures, tyranny, alleged denial of human rights, poverty, assassinations and coups d'état often stem from a pre-judgment of the societies in which these events occur. Third World intellectuals have also argued—I think correctly—that apart from superficial and sensational reports about events in Third World countries, the Western press hardly reports, discusses or interprets Third World objectives, strategies and programs for development.

For instance, the Western press has hardly made one effort to help along the efforts of both the Philippine and Libyan governments to find a solution to the secessionist movements in portions of our Muslim South.

We in the Third World have yet to find in the Western press a sympathetic interpretation of our collective efforts in UNCTAD. Where in the national press and professional journals of the West can one read about the modest achievements of, say, agrarian reform, community development, agricultural innovations and self-reliant technologies in the rural communities of the Third World?

In Paris, at UNESCO's twentieth session, the Third World's position on a draft resolution started in Nairobi in 1976 focused on the need for a guarantee that media operating *inside* their borders shall work with the aim of "strengthening peace and international understanding and combating war propaganda, racialism and apartheid."

This was opposed by the American delegates, who invoked the familiar principle of "freedom of the press." The declaration finally passed drew inspiration from the UN declaration of Human Rights, and suggested that media could strengthen peace and international understanding; promote human rights to counter racialism, apartheid and incitement to war.

The declaration also averred that the right to freedom of expression includes the "freedom to hold opinion without interference and to seek, receive and impart information and ideas through any media regardless of frontiers." Even as this draft declaration drew criticism from both the United States and the USSR, the basic question of balanced and free flow of information remains unresolved.

Today, considering the pervasiveness of US media in the Third World, American insights on Third World events often reflect the prejudices of cultural outsiders. Because of this, and of the American press' inability to appreciate the necessity for strong governments in the Third World, the credibility of the American government is being weakened. I am apprehensive

about this. Should it continue, the leadership and the peoples of the Third World might choose the extreme ideologies.

I am hopeful that American mass media leaders will understand why Asian leaders want to build societies worthy of Asian hopes, aspirations and capabilities; why an oligarchic advancement of the economic interest of the few to the degradation of the many will no longer succeed; why strong governments are necessary to respond to crises and tensions coming from abroad; and why, if Asian societies are to survive with dignity and freedom, they must be allowed to seek peace and prosperity *at* their own pace and *in* their own time.

Our culture promotes unity in diversity; and our national historical experiences—as well as the objective conditions in our societies—enhance our awareness of the roots of our problems. The rebellion of the poor in the Third World is a force that can no longer be ignored.

There are strong indications that developing countries can formulate alternative paths to development, based on the positive values and principles of their cultures. For us in the Philippines, the option we have chosen is a mixture of capitalism and socialism in its generic sense. While recognizing private initiative and private property in keeping with our traditional values, we have provided the system with an egalitarian base.

As we examined our economic system, so did we scrutinize our political realities in the light of our achievements and failures, and in relation to our long-term policies and national objectives. We found that the western democratic system we had borrowed, unexamined, in July 1946 had not revolutionized *our* society. Instead, it had bred corruption, subversion, and sectarianism.

The political alternative we have chosen rejects an anthropomorphic and static notion of government. Though our country was no longer under foreign rule, its society still retained certain feudal and colonial characteristics. Hence, there was

the conviction among our intellectuals that political changes were necessary.

A system of free, popular, and periodic elections excludes any automatic right to the exercise of public power. But it may happen that this noble object, such election—the entire democratic order—is undermined, through oligarchic control and manipulation of the political process. *That* was what happened in the Philippines.

The political authority so corrupted, so subverted and manipulated was *obliged* to defend itself and the public good. We concluded that if the democratic political system *could not* revolutionize the society, *then* the society *should* revolutionize the system.

Our scrutiny of the democratic system made us realize that capitalism is *not always* on the side of democracy; and that socialism is not *incompatible* with the democratic system. The classic Western notion that a government can only be *either* democratic *or* socialist we saw—from the prism of our existence—as a gross error.

We chose to democratize private property. In this choice, we knew too well that the process of radical change, although constitutional was a convulsive one. The force of law was no less violent for being legal. Violence had to be controlled in a revolution by constitutional means, and only a strong democratic government can give such assurance. And in this regard, the deepest consent of the people was imperative. For they were, in essence, the center of the revolution.

One must understand, however, that I did not advocate the adoption of a welfare state or a type of socialism. My strongest concern was with the political system that went by the name of democracy and not with any social or economic *ism* which may or may not postulate a certain political order to achieve its aim. I was interested in those economic and social issues which affected the exercise of freedom in society and which, in effect, en

couraged or hindered free men in realizing their potentialities. I was concerned over a political society that was endangered by deep economic and social inequalities. Artificially, we postponed the consequences of these inequalities through political and social improvisations. And because of these no permanent solutions could be formulated to solve the drain on scarce resources or the conspiracy of the rich against the poor. In short, we only played at democracy. The sham was worsened by the hypocrisy of radical rhetorics.

But we could not play at democracy indefinitely. The culmination of the disappointments of more than two decades which was signalled by a resurgent nationalism impelled us to restructure our democratic system. The constant exhortation to the masses of the need for a new society created an obligation to concretize it. The political authority, by its constitutional rights, was mandated to shape its fundamental patterns. We had to admit the short-sightedness of our previous approach to popular sovereignty, the arrogance of our self-regard, when we identified the people's interests with our own interests. Our populist, personalist, and individualistic culture had to yield to our collective responsibility and, beyond that, to our historic responsibility. Implicitly, we had to cut off the invisible umbilical cord that connected us to our foreign colonial conquerors. The path we chose was the path of the Democratic Revolution, based on an understanding of the times and anchored on a national guide of priorities. Democracy, in sum, is the revolution.

At this point, it is important to remember that any program to recast, radicalize, transform, or modify the social order in the Third World involves a coming to terms with the graduated escalation of apprehensions and hopes of the people. This in turn obliges the national leadership to take a hard-boiled conviction concerning the realities with which it intends to form a new society. It must avoid falling into the romantic trap of utopian visions, but must harmonize the elements of nationhood with the facts of existence. In the case of the Philippines, we proceeded

at once to the democratization of wealth and property because we wanted to avoid the alternative of socialization or abolition of private property. We believe this was crucial to the establishment of the new society. Democratization meant the sharing of private wealth with the entire society, calling for the regulation of property for collective human ends. Private wealth and property were not abolished, for this would stultify private initiative and turn man into a pure collective being.

What we see in the Third World, therefore, are political revolutions of the experimental kind. They cannot be anything less. As I have pointed out, the exigencies, the conditions, and the crises in the Third World are peculiar to the Third World and must, consequently, be met with tactics suitable to the temperament and character of its peoples. We can no longer inordinately and gratuitously adopt western political models. We have seen, at an enormous cost, their failure to advance our national goals. On the contrary, any Third World nation now that blindly follows western political models risks the jeopardy and frustration of its progress. For instance, in this profoundly social century, the wealth of the few, like the power of the few, is a violence to the poor. When exercised irresponsibly, it becomes a new barbarism. It must be democratized, together with free speech and other free institutions, through popular regulations to insure the success of human society. For equality in the new societies of the Third World must be a fact, not a fiction. Their political systems, albeit experimental, must be responsive to the needs of the masses. Their leadership must possess an authority that is both tough and flexible, realistic and visionary. And their strength must be drawn not from foreign dispensation but from the united spirit of their members.

The Philippine Experiment

When I made that fateful decision on September 21st barely eight years ago, to sign a proclamation declaring martial law, I was guided by one principal consideration—that I did not

become President, six years before that, merely to preside over the death of the Republic.

The reasons for which we turned to a rule of constitutional authoritarianism were self-evident. Our country was *in extremis*, the Philippines was being torn apart by civil strife, by armed rebellions, by a rising storm of poverty and maldevelopment. There was a full-blown Communist insurgency, already in full bloom in the north and threatening to seed on new ground in the near south. In the heart of Mindanao, in the deep south, Filipino Muslim separatists were threatening the disruption and dislocation of entire communities and settlements. And all over one could almost palpably feel the disillusionment, the disenchantment and the despair of the people—fanned by poverty and rising expectations they knew could not be fulfilled by traditional institutions. A corrupt legislature, a corrupt bureaucracy, a corrupt police system, even courts, and local governments corrupted by an interlocking alliance of political and economic warlords—all these were in existence, extending the privileges of a few at the expense of the many, guaranteeing only a rate of growth and change incapable of freeing them from bondage. It was truly a system that could not last, that could not even continue to pay lip service to democratic institutions and freedoms, a system fated to destroy itself—a fate I could not allow to happen, that I knew I could forestall with the powers vested in me as President.

Before long, anarchy and rebellion had become nationwide; it was now impossible to enforce any of the laws, and the economy was immobilized and in danger of collapsing at any moment. Food was difficult to obtain, the essential services in the urban area were becoming unavailable. There was real danger that communications facilities, electric power and water would be completely cut off.

Public service and the private sector were immobilized. Employees in both sectors faltered at their jobs, many of them actually refusing to hold office.

Under these circumstances government had become almost non-existent, there was no question that the need of the hour was for a government that could somehow be effective. One waited each day to see some agent of authority stride through the debris, the confusion and chaos, and begin to put things in order.

Thus the establishment of the crisis government. The steps taken by this government, this authority rising to the challenge of the emergency, bespeak the care it took to conduct itself, no matter how large the crisis, within the framework of the Constitution.

Constitutional and Legal Nature

The Philippines has a Constitution containing what is often referred to as the commander-in-chief provision. This provision was taken from the fundamental laws drafted by the U.S. Congress to govern the Philippines in the early years of the American occupation, the Philippine Bill of 1902 and the Jones Law of 1916. The commander-in-chief provision in the 1935 Constitution reads:

“(2) The President shall be commander-in-chief of all Armed Forces of the Philippines and, whenever it becomes necessary, he may call out such armed forces to prevent or suppress lawless violence, invasion, insurrection, or rebellion. In case of invasion, insurrection, or rebellion, or imminent danger thereof, when the public safety requires it, he may suspend the privilege of the writ of habeas corpus, or place the Philippines or any part thereof under martial law.” (Section 10 (2), Art. VII)

The 1973 Constitution has a similar provision.

Under the Philippine Constitution, therefore, the President is the only authority that could proclaim martial law to re-stab-

lish social order. Equipped with this constitutionally sanctioned instrument of national survival, I asked the advice of members of the judiciary as well as of Congress, including the opposition, on the matter of proclaiming martial law.

I suggested to the opposition party that we organize a coalition that would have representatives from the opposition who could become Cabinet members. The only condition I proposed was that they take a common stand with the majority party against the leftist-rightist rebellion and the secessionist movement in the South.

For reasons of their own, the members of the opposition party rejected outright the offer to form a coalition government. Instead, after the proclamation of martial law, they went to the Supreme Court with more than ten cases questioning the power of the President to proclaim martial law. Before I proclaimed martial law, the Supreme Court in the leading case of *Lansang et al v. Garcia, etc.* (G. R. No. L-33964, December 11, 1971) had ruled that the Republic of the Philippines was under attack by rebels of the Communist Party of the Philippines which had a new armed unit known as the New People's Army. The Supreme Court further ruled that under the same commander-in-chief provision which I have quoted, the privilege of the writ of habeas corpus could, in view of the armed attack, be suspended, as in fact it had been suspended the past year.

In other leading cases, like *Barcelona v. Baker*, 5 Phil. 87 (1905), ratified in *Montenegro v. Castaneda*, 91 Phil. 887 (1952), the Supreme Court of the Philippines, proceeding from the same premise, had modified its original ruling to declare that a proclamation of martial law is a political act and therefore cannot be reviewed by the Supreme Court. In the case of *Aquino v. Ponce Enrile* ('59 Supreme Court Reports annotated 183), it was declared, as had been done in the habeas corpus case, that the Supreme Court can reject the acts of the President and de-

termine on its own if the proclamation of martial law is arbitrary, illegal and without basis.

Since the Supreme Court had assumed jurisdiction over this matter which theretofore had been considered a political act and therefore not subject to judicial review, I appeared before the Supreme Court through counsel and explained the circumstances under which I proclaimed martial law. In about a dozen cases, the Supreme Court sustained the power of the President to proclaim martial law, a power which had been under attack for alleged lack of competence and jurisdiction.

Reforms

The various reforms which I immediately instituted after proclaiming martial law were:

(1) Land reform, by distributing to tenants parcels from big landed estates, to be paid for with proceeds from the harvest through several years. The landowners received land reform certificates which they could discount with the Land Bank so that they could shift their investments to industry.

(2) Labor reform. I increased the share of labor in the profits of industry and amended the laws so as to eliminate arbitrariness and any threat to industrial peace.

(3) Educational reform. One of the common complaints of graduates of our schools and universities was that there were no jobs available to them because the educational system was not relevant to our economic development. In response I adopted the recommendations of the Presidential Education Commission which had reviewed the educational system to make the system relevant to the problems of our country by providing graduates with skills or knowledge which could immediately be utilized by society. At the same time I organized special educational funds and placed them at the disposal of the national government and the local governments, the latter to take full respon-

sibility for them after some time. The local government joined hands with the Parents-Teachers Associations and other civic groups to reorganize the educational system.

At the same time we built 50,000 new school rooms and, with the cooperation of the national rural electrification administration, lighted the school buildings so that night classes could be opened, especially for the out-of-school youth and adult education was also intensified.

The cultural reform which reactivated national interest in old Filipino culture, including traditions in music and dancing, painting, sculpture and writing, made it possible that while English continued to be an official language utilized in the colleges and universities, in business and in the transfer of technology, the Filipino national language would be, as it is now, spoken all over the Philippines.

There is a resurgent pride in the old traditions. It is part of the people's culture, for instance, to be intolerant of oppressiveness and tyranny. This tradition tied up from two- to three hundred thousand Japanese troops during World War II, although the Filipinos themselves paid for it with casualties of more than a million lives.

(4) Agrarian reform. Land reform was not sufficient. We have had to take from the ivory tower of the scientists newly discovered rice varieties and moved them to the farms. We organized 4,000 agricultural technologists to bring the new knowledge to tenants and small farmers. We organized 4,000 credit supervisors to help small farmers with bank loans we had just made available without collaterals. The credit supervisors travelled to the mountains and the remote areas.

Irrigation facilities increased fourfold to cover 1,200,000 hectares, from the original 300,000 hectares. In no time at all we were not only self-sufficient in rice; since 1948, we have been exporting it.

(5) Economic reforms. Economic planning was centralized in the National Economic Development Authority chairmanned by the President himself. Rationality was thus reinfused into economic development. We organized a Board of Investments and adopted a priority program which gave incentives to foreign as well as domestic investors in both agriculture and industry. Investments from abroad jumped two, and finally five, times in values.

Among the satisfying results of economic reform was a change in the pattern of our exports. When I first became President, exports amounted to only about one billion dollars a year and consisted mainly of four traditional products: sugar, coconut products, mineral ores, and wood products.

We now exports more than four times that original value, and more than 50% of our exports are new products.

Personal income (see *The Drama of Development*) increased, in a manner unlike the experience of many developing countries, not only among the affluent but also—and here in a larger degree—the lower classes, especially in agricultural areas where most of our people live.

The deposits and savings of the small people increased from 5.5 billion pesos in 1972 to 25.6 billion.

(6) Social Service Reform. The old concept of doleouts was discarded and in its place we trained the poor in skills which would fetch them a livelihood. This program began modestly and then quickly accelerated through the years.

The family planning program for the control of population, through the adoption of a system which leaves to the citizens the choice of the natural rhythm method or the artificial contraceptive method, had resulted in the reduction of the birth rate from 3.0% to 2.3%.

A nationwide nutrition program, originally criticized because the bulk of our schoolchildren weighed less than their American counterparts and therefore were judged to be severely malnourished, has been cited in international circles for its excellence. Parenthetically, it may be said that Filipino children normally weighed less than the Americans for the obvious reason that Filipinos are by nature smaller in height and slighter in build.

The nutrition program has been organized to utilize native, rather than imported, food, such as milk and oatmeal. The Philippine nutrition program has been adopted by the United Nations as a model for developing countries.

Recent reports of the Asian Development Bank on the subject of nutrition among the countries of Asia show that the "daily per capita calorie supply" of the Philippines is far from being the embarrassment it is made to appear in the chronicles of some Western correspondents. The ADB reports provide this comparison:

	<u>1974</u>	<u>1975</u>
Bangladesh	1948	1976
India	1991	1820
Indonesia	2124	2111
Pakistan	2212	2204
Philippines	2274	2290
Sri Lanka	2073	2003

Social services have been tied up with local investments through the Ministry of Human Settlements to upgrade living conditions in the rural and urban areas, including slums. Its principal concept, however, differs from those in other countries. In our case, slum and distressed area dwellers pay over a period of years for houses rebuilt or constructed for them, and the funds generated this way could be utilized indefinitely as a continuing or sinking fund. This is the pith of the program for

upgrading sub-standard living and housing conditions. Before this concept of upgrading was worked out in the Philippines, the World Bank refused to lend any money for slum upgrading in any country whatsoever because it considered it as money down the drain.

(7) Political Reform. The elections held before the establishment of the crisis government cannot truly be said to be honest or free because the results were dictated by the private armies of political factions, by criminal syndicates, or by the armed elements of the Communist Party.

In the first six months of the crisis government, more than 650,000 firearms were either captured or surrendered. These included all types of weapons, including anti-aircraft guns, artillery, rocket launchers, heavy and light automatic weapons including armored cars, tanks, sophisticated explosives and the latest in assault rifles and submachine guns.

More than 300 private armies were dismantled, and more than 200 criminal syndicates disbanded.

The prohibition against the carrying of firearms being fully enforced, I was able to organize the basic political units known as the barangay, or villages, which elected their *sanggunian* or councils to run their affairs and which, in turn, elected the councils for the provinces. The provincial councils in turn elected the regional councils of which there are 13, including Metropolitan Manila. The regional councils in turn elected the members of the Batasan Bayan, the advisory council to which I referred matters for legislation. In 1978, the Batasang Bayan was replaced by the Batasang Pambansa, the forerunner of Parliament. Members of this Assembly were elected by the people in April, 1978 and met in regular session for the first time on July 12, 1978.

Local officials were elected on January 31, 1980. The elections were comparatively free and peaceful, considerably

more so than any of the elections before 1972. In the 1980 local elections, we curtailed the use of public and private funds.

Misgivings have been voiced about the lack of a mechanism for succession to the President-Prime Minister. A simple reading of the Constitution and the decrees that have been issued before the organization of Parliament shows that in the event anything happens to the President-Prime Minister which would prevent him from performing his functions as such, the Speaker of the Batasan automatically becomes the token President provided for in the 1973 Constitution. The Speaker is then called upon to convoke a session of the Batasang Pambansa immediately to elect a new Prime Minister who shall then assume his duties.

Succession has thus been institutionalized by both the Constitution and the corresponding implementing laws.

No one can challenge the veracity of the facts I have enumerated and the situation I have described. Yet these are facts too easily forgotten, too conveniently swept aside by our critics, both in the American government and in the American public. By doing so, our critics do us, and themselves, a great injustice. half-blind purveyors of incomplete issues, no more than propagandists for their own crusades. That is how I view many of these critics—as crusaders, with their own causes and concerns; considerations that must, at all costs it seems, be the prevailing standard for truth. A pity, I think, because crusaders are often fated to look through their own prisms, through which their perceptions are inevitably colored or, to put it bluntly, downright prejudiced. I cannot put it in any other way, more so because we have never asked anyone to train their sights, their observations, their investigations through a looking glass—as though the truths we hold were so minute and so elusive that such an instrument would be needed.

We are, first and foremost, an open society. We take pride in saying, and proving, that we have nothing to hide, that

we have nothing to be ashamed of, even that our traditionally gregarious hospitality has not diminished one bit in the New Society. There are no restrictions on the foreign press; the foreign correspondents are free to cable their stories without censorship; they are free to roam the country at will. Some foreign correspondents have even gone as far as penetrating the camps and hideouts of the Communist-led New Peoples Army and the Moro National Liberation Front without reprisal on our part. There have been a few irritants, of course, and government does not deny asking some foreign newsmen to explain their conduct. But these isolated cases have been justified for it is still a host country's privilege to limit newsmen to the gathering of news, and to ask them to stop short of meddling in domestic politics or acting as covert intelligence operatives. But we have never—and this is an unimpeachable fact—asked anyone to leave, or deported anyone simply because he has written embarrassing or unflattering stories. That has never happened and it will never happen for as long as I am President.

But newsmen are not the only ones who can give proof of our being an open society. Human rights organizations continue to come and go without restriction or restraint and we have always made ourselves available to answer their questions, impertinent or otherwise. Neither Amnesty International nor the International Commission of Jurists, to name two, and neither the U.S. Department of State for that matter, can ever lay claim to our being a closed society, even to our being an inscrutable people. We have been schooled too long by the West, I think, to ever be anything else but open and to be, for good or ill, one of the most open of all Asian societies.

Still and all, the criticism persists and the prevailing public and, I daresay, even government opinion in the developed countries remain sharply critical. Indeed, I would even venture to say that this critical climate is not only tolerated but even tacitly supported by governments such as the U.S. The American government can, in fact, even be rightly accused of fostering such

a climate in the manner in which they have conducted Congressional hearings and State Department investigations they like to call "fact-finding missions". We are fully aware of this climate and of this attitude and our only recourse has been to conscientiously answer their questions, no matter how much they repeat themselves. Tolerance, after all, is said to be the gift or the grade of the honest and the just. And we take equal pride in thinking ourselves both honest and just in the conduct of our constitutional authoritarianism.

I must say, clearly and candidly, that this attitude of the American government can only properly be termed dangerous. Dangerous because it is indicative of the manipulation that it has, time and again, been accused of exercising. I refer in particular to the manipulation of public opinion, both here and abroad, that the American government has used to garner support for its foreign policy, its policy of foreign interventions or, as we in the Third World like to put it, its foreign adventures in our backyards. Let me, on this occasion, put it in the precise terms of an American political scientist, John Spanier, in whose analysis of international politics, *Games Nations Play*, the following observations may be found:

"Anticommunism . . . has been less useful as a motive explaining American foreign policy behavior than as a tool used by American leaders for mobilizing public support. The United States . . . is essentially an inward-oriented society that concentrates on domestic affairs and welfare issues and considers foreign policy burdensome and distracting. Therefore, in order to arouse the public to support external ventures, the struggle for power and security endemic in the state system had to be disguised as a struggle for the realization of the highest values. Because, from the beginning of its existence, the United States has felt itself to be a post-European society—a New World standing as a shining example of democracy, freedom, and social justice for the Old World—anti-Communism was an obvious means

for mobilizing Congressional and public support for post-war policy. America could thus practice "power politics" while disguising it as "ideological politics". Power politics needed ideological justification in a nation that had always felt power was evil and corrupting. Just as, domestically, power was legitimated by the democratic purposes for which it was used, so externally its employment had to be justified in terms of making the world safe for democracy. In short, anti-Communism did not define American foreign policy objectives; rather, American democracy needed it to conduct a traditional foreign policy.

Professor Spanier could just as well have substituted "anti-Communism" with "human rights" for wasn't that supposed to be the new crusade—following the easing of Cold War tensions—with the diplomatic overtures to China and the signing of the Helsinki and SALT accords with the Soviet Union? Weren't alleged human rights violations the principal criticisms leveled against the now-deposed leaderships in South Korea, Iran, Uganda and Nicaragua? I do not, of course, intend to lecture on the conduct of any government's foreign policy but such views as I have on that subject border on legitimate issues raised by many Third World countries. And the common fear expressed by many of these countries is that the U.S. government's foreign policy crusades, so nobly articulated though they may be, are but excuses to keep our countries at heel, to hold our people within the orbit of U.S. political and economic interests and, as Professor Spanier puts it, are convenient disguises with which to play power politics.

The developments in Afghanistan and the boycott of the Moscow Olympics have changed the picture somewhat and anti-Communism may again become the more fashionable foreign policy crusade. But I do not perceive this to be the case. What the U.S. government has fashioned today are two convenient crusades, capable of being used interchangeably whenever the occa-

sion demands: either the anti-Communist or the human rights "ideology". Doubly dangerous, in our view, for there are now two standards with which to measure us where previously there was only one.

I say, too, that I know whereof I speak for the principal issue leveled against my government is that it has been anti-democratic and suppressive of human rights. Hence, the human rights "test" has been applied in our case. But the special relations between our countries being what they have been, there is definitely more than just the human rights issue involved here. Far more crucial to my mind, is the involvement of the great white father's image and that of his errant brown sons, the people of the islands he claimed from Spain over half a century ago. This is more myth and symbol, of course, but all very relevant because of the U.S. government's penchant for undertaking noble crusades in the name of foreign policy. Part of the reason, I suspect, for that government's initial critical assessment of my government is the fact that the imposition of constitutional authoritarianism shattered, once and for all, the initial foreign policy crusade, William McKinley's vision of America's "Manifest Destiny" to spread the blessings of democracy and education and to take up part of Imperial Britannia's "White Man's Burden" in our part of Asia. As one American journalist has put it, we have become "A Shattered Showcase of Democracy in Asia", and by so becoming are in effect proof positive of America's failure in its one and only direct colonial experiment.

Sentiment, of course, has nothing to do with this, but in strictly ideological terms this has been tantamount to a slap on America's face, especially so when we consider that this action we have taken may well be the basis for the development of an anti-American ideology. As well it might be, for in rejecting the liberal democratic model America imposed upon us, and by choosing to take up a third alternative as other Third World nations have, we are conducting not America's experiment but

our own, free, independent and unfettered. Anti-American, one may say, because it involves the slaying of the great white father's image; but more Pro-Filipino, on closer look, for the slaying of the father image means liberation for the brown son, his coming of age, his passage into full manhood in the community of nations.

And yet, despite this break in history and ideology, certain commonalities remain between our countries, albeit commonalities that are often disregarded in view of what your policymakers and opinion-makers may consider the greater tragedy—the rejection of the Western model. I rush to submit, first of all, the distinction that the authoritarianism we exercise is constitutional—it is based on the Constitution and it is limited by the Constitution. There is great respect and reverence for law and justice in my country, no doubt a legacy that persists from our colonial experience. That legacy remains in a Constitution that reflects the same rights that Americans enshrined in their own Bill of Rights; it remains in a system of civil courts that, to this day, continues to dispense justice from the municipal to the national level; it remains in the time-honored principle that, despite the imposition of martial law, civilian rule continues to be supreme over that of the military. Indeed, if these are not democratic commonalities, then I myself may yet be the most-mis-educated, the most misinformed and the most mis-directed head of state in the world today.

These are, once again, unimpeachable facts, self-evident to anyone who cares enough to examine carefully the way our government is run. There is a big “if” to this, of course, because not everyone who comes to my country cares enough to look around without a prism of prejudice. Oftentimes it has been our sad experience to have people come and look for what they want to find and not to examine the situation for what it is. Such visitors are still welcome and our appeal to them continues

to be the same—give us the benefit of the doubt, consider us first with an open mind.

We do not blame anyone who comes with some degree of prejudice. That much is to be expected from people schooled in Western concepts of democracy and freedom, from people who come with concepts imbibed from Western civics textbooks. We agree wholeheartedly that there is much to doubt in the democratic avowals of any regime that is premised on martial law or authoritarianism. We have, in fact, come to the sorry conclusion that we may have made a grievous mistake in resorting to such terminologies as “martial law” and even “authoritarianism”. These are terms that do not lend themselves to favorable interpretations. Indeed, if one were to rely on Western textbook concepts alone, one could very well come to the supposition that these are concepts antithetical to democracy itself. As well they might be if they were exercised also in the same manner as they have been defined in these textbooks.

But ours is not the traditional textbook form of martial law or authoritarianism. And in support of this allegation I submit the following facts:

—One. Ours is the only authoritarian state, the only regime under martial law that has allowed its policies and programs to be questioned in open court. Our Supreme Court has, on many occasions, questioned us and even caused us to suffer reversals. To any other authoritarian government this would be more than provocation. This would be an open challenge. And yet what has been the government's response? The Supreme Court has not been suppressed or dissolved. Not one Justice has been impeached or decreed out of office. And even if the government wished to, it could not, for the Constitution does not give the right of impeachment to the executive. For that matter the Constitution does not even grant to the President the power of supervision over lower civil courts—that power rests with the Supreme Court itself. And surprising as it may seem, the gov-

ernment has not even resorted to packing the court with friendly justices, a strategy resorted to by one of the U.S. presidents, the great Franklin Delano Roosevelt. I find that strange for Americans not only elected Roosevelt once but four times to the presidency.

—Two. Ours is one of the few authoritarian states that allow press freedom. I have already mentioned the fact that foreign correspondents are not subject to censorship or reprisal. The same freedoms and privileges, if not more, are enjoyed by our own journalists, and rightly so for we look upon them not as adversaries but as critical collaborators. More important, we look upon our local media community as a responsible community, capable of exercising freedom and of stopping short of license and libel. In recognition of their responsibility, we have chosen not to exercise censorship. In this regard let me correct the mistaken impression that the local press is gagged—I challenge anyone to point out any government agency exercising censorship in the Philippines today. There is none. The task of policing the media community we have left to the media themselves which are, incidentally, in the hands of the private sector save for one television network and one radio network. The print medium has the Philippine Council for Print Media and not one government official sits on its board of directors. In like manner, the broadcast medium has the Broadcast Media Council and that, too, is in private rather than government hands. Indeed the only quarrels we have had with media have been on moral rather than political issues. I have banned several television programs for showing excessive violence and I have likewise cracked down on pornographic movies and smut magazines. But these are actions that any government will rightfully take and that is neither a political question nor a human rights issue.

—Three. Ours is one of the few authoritarian states in which elections have taken place. In the classic Western textbook formulation, it is clear that elections are anathema in the

authoritarian state, for authority in such states does not proceed from the electoral process but from the will and strength of those who wield power. And yet our record is equally clear—we held our first election six years after the imposition of martial law and we have held two more since then. The elections of 1978 were national in scope and involved the election of representatives to our legislature, the Interim National Assembly, a body that shares co-equal legislative powers with the President and the body empowered to act on the question of Presidential succession. There were special regional elections in 1979 to elect representatives to two regional assemblies in the dominantly Filipino Muslim areas in Mindanao, bodies authorized to exercise regional autonomy, a modified form of home rule for these strife-torn regions. Finally, early this year, we again held elections on a national scale, this time to elect local government officials in all our municipalities, cities and provinces. Now I will be the first to acknowledge that fraud and terrorism have attended these elections; indeed, I will be the first to say that these elections have been far from perfect. But let me also add that these instances of fraud and terrorism have been few and far between; have been no more than isolated pockets where electoral reforms have not as readily been accepted by traditional power brokers. These few violators have not gone unpunished—they are now either facing prosecution or awaiting trial. And while these few instances may have been blown out of proportion and given undue attention, let me only say that in the main, and for the greater majority, these elections were free, peaceful, orderly and truly expressive of the people's will.

Truly, then, if these have taken place, can one still say that the Philippine experiment with constitutional authoritarianism subscribes to the traditional Western textbook concepts and cases? Where in these Western civics textbooks can one find instances of authoritarianism being exercised side by side with open civil courts, a free press and free elections? But as we keep on saying

—the Philippine experiment is not a traditional experiment. In the classic textbook case, the wielder of authority is himself the source of that authority and its own limitation. We do not conform to this traditional textbook concept. And, being different, we need different standards and different measures of judgment.

There is still, however, one other aspect in which our authoritarianism and our exercise of martial law differs from the traditional concept. The classic formulation is that martial law can be imposed and the authoritarian leader installed in power only in order to arrest an emergency and to restore the status quo. It does not allow anything further than this and in fact insists that the apparatus of martial law be dismantled and the authoritarian leader deposed as soon as the emergency or at least the most visible and repressive aspects of that emergency, ceases and the status quo ante is restored.

This is both a limited and an unrealistic concept applicable only to textbook situations but never to real life. Such a concept is premised on the corollary one that emergencies are necessarily of short duration and capable of being measured in a static time frame. This is neither possible nor plausible. And equally impossible and implausible is that other corollary concept to the effect that the status quo is always desirable and that it must, by all means, always be restored. For if such is to be the case in any democracy, then the world may never be allowed any progress or change. This is certainly not the manner in which martial law and authoritarianism have been used in my country.

It is true that martial law was imposed in the light of an emergency situation, in fact in the light of many emergency situations as I pointed out earlier. But where the emergency situation, as in our case, is a rebellion, it would be foolhardy to presuppose that one can say when a situation like this has been arrested to the fullest possible limit. We are gradually arresting this situation, it is true, but it is not the only emer-

gency situation that we face. Forming part and parcel of the emergency occasioned by this rebellion are its roots—the poverty of the people and a status quo unresponsive to the rising expectations of the majority. These are problems not capable of being measured, problems not capable of being bracketed in convenient time frames. These are the problems that we seek to face with constitutional authoritarianism. As the histories of ancient and modern democracies illustrate, observes Heilbroner, “the political pressure in times of war, civil commotion, or general anxiety pushes in the direction of authority, not away from it. These tendencies may be shortlived, or may give rise to totalitarian governments that in time collapse, but I do not think that one can deny that these pressures are a persistent fact of political life.” Coupled with this is the fact that we are definitely not content with the restoration of the status quo, for the status quo is, at one and the same time, part of the rebellion and part of the emergency.

Our authoritarian experiment, therefore, is not bent on merely containing an emergency or restoring the status quo. It looks further than this—to the creation of a New Society, an effort that definitely cannot be undertaken with the tools available to us under the status quo. As I put it in the preface of my book, *Notes on the New Society of the Philippines*:

“If I said that the least difficult decision was signing Proclamation 1081, it was to indicate a greater one, that which concerns most our destiny as a nation and the future generations. It was a temptation to regard the declaration of martial law as a simple ‘police action’. Now that the conspirators and various malefactors were either under custody or in hiding, we could tell ourselves that normalcy had been restored, that it is now a simple matter of going back to everyday chores, to the old life we knew.

“Martial law then would have been a drastic strategy of protecting the status quo, by which I mean the very so-

ciety, the sick society of privilege and irresponsibility, whose excesses and inequities spawned the unrest and the violence that threatened the political order. Are we then to take a momentous step in order that things should remain the same?

"The Proclamation was immediately necessitated by a clear and present danger. Beyond this, however, was the imperious demand for revolutionary change. And this meant, particularly for me, and for those who have followed my order, a much more enormous responsibility than restoring public order and purging the government of undesirables by punitive, though constitutional, means. That enormous responsibility, one that could not be shirked, was laying the foundations for an entirely new society. The transformation, no less, of Philippine society.

"Thus martial law in the Philippines takes on a unique character: far from the untenable strategy of protecting or restoring the status quo it is a militant, constitutional and legal strategy for creating and building, from the ashes of the old, a new society."

These words were written in September 1973, a year after that historic proclamation was issued. For the defenders of the status quo, those who had benefitted mightily from the corruption and the anarchy of the previous decades, these words were practically a death knell. But for those in the majority, particularly the poor and the dispossessed, these were more than an assurance, they were a testament of faith—that I would stand by them and continue the reforms that I had started. The poor in my country, of course, do not have great and influential friends in the developed countries to whom they can speak. Many of those dispossessed by martial law and the reforms of the New Society had such friends to whom they aired grievances and pointed out defects liable to be blown out of proportion. They filled the coffee shops, loitered in hotel lobbies, talking to reporters and just about any foreigner willing to land a sympa-

thetic ear; they were listened to, and their stories filed by the wire services. We told these same reporters to go out also, to talk to the man in the street, the farmer in the countryside, the worker in the factory. But to no avail, it seems, for they were out for the juicy stories the front page exposes, the kinks in the armor of martial law.

And of these juicy stories and exposes, the most favored were those on prisoners in detention and of isolated cases of torture and brutality. I will not deny the veracity of some of these stories. I will be the first to admit that in the proclamation declaring martial law itself the first order that it contained was one directing the detention of those suspected of insurrection, rebellion, subversion and crimes against the national security and the public order. I will also be ready to admit that some isolated cases of torture have occurred, perpetrated by a number of overzealous military and police personnel. But in admitting these I also ask that one consider the following facts that have not received as good a press:

— One. So it is not a wonder that in this war that we have fought throughout most of the Philippines for more than seven years with more than a hundred thousand regular soldiers and forty-five thousand militia and police, there are only 101 cases of alleged torture, four of executions and 130 cases all in all of violations of soldierly conduct. This is probably less than the abuses committed in such American cities like New York, Philadelphia or Chicago.

— Two. It has never been the policy of my government to condone torture, whether these be in combat or non-combat situations. The isolated cases of torture that have been reported and which are true have been committed either by overzealous or sadistic personnel entirely on their own volition and never as the result of a direct order or command. Wherever possible, and whenever the evidence has warranted it, we have prosecuted these errant military officers and enlisted men, and many of

those found guilty are today languishing in jail—their stories also crying out to be reported in American papers. And if the attention of the American media is called to the fact that these isolated cases have not received as much attention in our local press as they have in theirs it can only be because the local press is more aware that these have not been perpetrated as a matter of policy.

— Three. It has never been the policy of my government to wage genocide against the Filipino Muslims in the South. There have been a number of battle zones there, that is true, though these have been few and far between. Communities and settlements in these battle zones have been displaced, that is also true. But it is equally true that many of these battle zones have already been pacified and de-militarized and that many of these displaced communities have been restored and resettled. There have been many casualties, that is also true, and that is the deplorable fact in any combat situation. But none of these casualties have been the result of, to cite a popular American example, My Lai conditions. There have been no mass executions, no scorched-earth or napalm dramas. Christian and Muslim Filipinos alike have suffered and these are all fellow countrymen whose deaths we all deplore. The opportunities to exterminate our cultural minorities have always been present, of course, but unlike what has been the case with your American Indians in the eighteenth and nineteenth centuries, we have not sent blue coats after them, we have had no Wounded Knees.

We have not herded them into reservations, we have not fooled them into taking up residence in Bantu-like states. We have chosen to live with them, to integrate and not to allow secession.

— Four. It has never been the policy of my government to keep prisoners in detention without charges. Despite the myth that persists in liberal and radical American circles, there are no such prisoners kept in detention. All those who remain

have been charged and a number, among them Senator Benigno Aquino, have already been sentenced by proper tribunals. Those against whom no charges have been filed have been released and their good health is proof positive that they have not been kept in tiger cages. Indeed, detainees of this sort are kept in separate quarters, away from criminal elements, and allowed frequent family and conjugal visits, even private consultations with their lawyers. Still, the myth persists; but then, so do we in spite of this. But we are not, and this is an understatement, entirely without compassion. In the case of Edicio de la Torre, the Catholic priest who joined the New Peoples Army, I am pleased to report that I have released him and authorized his return to the United States. As for Senator Aquino, all are aware that his death sentence has been stayed for good while we are at present considering various options. Americans are also well aware that Senator Aquino has himself offered to cooperate with the government. We are considering this offer. But being good students of politics, the American media I am sure will understand the caution with which I approach these matters.

Overall, what still matters deeply to me is that the entire experiment has been based on the rule of law. As I had occasion to record in my book. *The Democratic Revolution in the Philippines*, martial law as a moral and political necessity is still grounded on a strictly constitutional basis. Let me further share some of these thoughts with you:

“To seekers of essential truths, a school of philosophy offers as one proof that God exists the obvious presence of order in the constellations of the Universe. In this postulate, there can be no accidental orderliness; the planets must move according to an Intelligence that has designed their rhythms and orbits. The withdrawal of the design for this order and harmony could be instantly followed by collision, fire and wreckage. The proposition has a moral content; the price of disorder is destruction.

"On the plane of human society, this correspondence of order and moral value within a framework designed by a higher intelligence has a counterpart in government and community. No matter how numerous the individuals in the community may be, and regardless of the variousness of their wants and interests, they normally move in accord with the common understanding that they have a collective interest in the preservation of order. According to the times and circumstances, they conceive values which they strive to protect or obtain as the common good—life, liberty, happiness, as the American Constitution summarizes them. But the supreme and eternal good, the highest morality, is the avoidance of self-destruction. To assure itself that this high moral duty is performed, human society has instituted law and fashioned the instrument of government with which to enforce it.

Implicit in all this is authority. Throughout the ages, society has had to rely upon it for its own advancement and preservation, and has vested government with the power and the resources to deal adequately with any object or force that imperils the community. The Philippine experience itself, with its blend of indigenous characteristics and Western influences, is instructive in this respect. It reflects the outlook and perspectives which have established the modes and patterns of governance everywhere; whether in the "government" of the ancient barangay, where the datu was chieftain, judge and lawgiver; in the colonial setup, where the King's representative was both governor and captain-general of the armed forces; in the revolutionary period, when the chief executive and the legislature exercised vast powers; or in the American colonial system, where real power over the islands came through the long and strong arm of the U.S. presidency, law and authority lay firmly at the foundation of government.

"Philippine legislation and jurisprudence record the responses of the social reflex to preserve public order as indispensable condition for safeguarding the life of the community. During the American occupation, the governor-general, to enable him more thoroughly and expeditiously to confront any threat of insurgency, was empowered to suspend the writ of habeas corpus. Thus, subject only to the approval of the President of the United States, Section 21 of the Jones Law of 1916 provided:

"He shall be responsible for the faithful execution of the laws of the Philippine Islands and of the United States operative within the Philippine Islands, and whenever it becomes necessary he may call upon the the commanders of the military and naval forces of the United States in the Islands, or summon the posse comitatus or call out the militia or other locally created armed forces to prevent or suppress lawless violence, invasion, insurrection or invasion, or imminent danger thereof, when public safety requires it, suspend the privilege of the writ of habeas corpus or place the Islands or any part thereof, under martial law. . . ."

"Significantly, this provision was one step farther in the direction of stronger self-protection by the State than the provision of the Philippine Bill of 1902, which vested in the Executive the power to cope ably with an emergency:

"SEC 5 x x x The privilege of the writ of habeas corpus shall not be suspended, unless when in cases of rebellion, insurrection or invasion the public safety may require it, in either of which events the same may be suspended by the President (of the United States), or by the Governor, with the approval of the Philippine Commission, wherever during such period the necessity for such suspension shall exist."

"Undoubtedly influenced by these statutes, the framers of the 1935 Constitution, of whom the late Senator Claro M. Recto was president, saw fit to incorporate in the basic law the so-called commander-in-chief provision (Section 10 (2). Art. VII) which reads:

"(2) The President shall be commander-in-chief of all Armed Forces of the Philippines and, whenever it becomes necessary, he may call out such armed forces to prevent or suppress lawless violence, invasion, insurrection, or rebellion. In case of insurrection or rebellion, or imminent danger thereof, when the public safety requires it, he may suspend the privilege of the writ of habeas corpus, or place the Philippines or any part thereof under martial law."

"The same power is granted by the new (1973) Constitution, which provides in Section 12, Article IX:

"Sec. 12. The Prime Minister shall be Commander-in-Chief of all Armed Forces of the Philippines and, whenever it becomes necessary, he may call out such armed forces to prevent or suppress lawless violence, invasion, insurrection or rebellion. In case of insurrection, or rebellion or imminent danger thereof, when the public safety requires it, he may suspend the privilege of the writ of habeas corpus, or place the Philippines or any part thereof under martial law."

"Jurisprudence before and after this formalization of the principle of strong and assertive government tends to support it. In 1923, the Supreme Court, finding that the right of peaceful assemblage is not an absolute one, declared in *People v. Perez* (45 Phil. 509, 605) :

"... when the intention and effect of the act is seditious, the constitutional guaranties of freedom of speech and press and of assembly and petition must

yield to punitive measures designed to maintain the prestige of constituted authority, the supremacy of the constitution and the laws, and the existence of the State."

"Some years later, in 1932, a mandamus proceeding (*Evangelista v. Earnshaw*, 57 Phil. 255) was filed with the Supreme Court asking that the tribunal compel the Mayor of Manila to issue a permit in favor of the Communist Party of the Philippines to meet and hold parades in certain parts of the city. The Court rejected the request and declared that the refusal to grant a permit was valid:

"It will be readily seen that the doctrines and principles advocated and urged in the constitution and bylaws of the said Communist Party of the Philippines, and the speeches uttered, delivered, and made by its members in the public meetings or gatherings, as above-stated, are highly seditious, in that they suggest and incite rebellious conspiracies and disturb and obstruct the lawful authorities in their duty." (p. 260) x x x x

"In a case of 1952 (*Montenegro v. Castaneda*, 91 Phil. 882) arising out of the suspension of the privilege of the writ of habeas corpus by then President Quirino, the high tribunal, to support its finding that there was an actual danger of rebellion, quoted this opinion of United States Chief of Justice Taney in *Luther v. Borden* (7 How., 44):

"It is said that this power in the President is dangerous to liberty and may be abused. All power may be abused if placed in unworthy hands; but it would be difficult, we think, to point out any other hands in which this power would be more safe, and at the same time equally effectual. When citizens of the same State are in arms against each other, and the constituted authorities unable to execute the laws, the interposition of the United States must be prompt or it is

of little value. The ordinary course of proceedings in the court of justice would be utterly unfit for the crisis, and the elevated office of the President, chosen as he is by the people of the United States, and the high responsibility he could not fail to feel when acting in a case of so much moment, appear to furnish as strong safeguards against the willful abuse of power as human prudence and foresight could well provide. At all events it is conferred upon him by the Constitution and laws of the United States and must, therefore, be respected and enforced in its judicial tribunals."

"The relationship of the rights of society and those of the individual is perceived in this light by former Chief Justice Roberto Concepcion:

" 'But the libertarian movement that engulfed the Philippines had projected freedom in the national consciousness, in such a concentrated form, as to overshadow or blur the countervailing demands of responsibility that go hand in hand with every right, power or authority. Hence, our social and political milieu had been thrown off balance, so to speak, leaning too heavily on the side of liberty and rights, with the result that the citizen seems chronically inclined to take and exact what he considers as due to him, overlooking what society expects from and demands of him, as a member thereof. In other words, our masses have been acting, our institutions have been fashioned and operated, and many of our social projects have been undertaken as if freedom were possible without a corresponding responsibility; as if lasting individual progress and security could be attained and preserved independently of the well-being of society; and as if democracy could function and bring about its salutary effects, through the assertion and exercise of individual rights, without a militant citizenry vigilant and alert in the defense of

its rights, but, likewise, ready, willing and able, at all times, to discharge its duties to the collectivity and to bear the burdens concomitant therewith." (Cancio and Pablo, Jr. (ed.), "Democracy and Its Demands Upon the Citizen and the State" ROBERTO CONCEPCION, Quezon City, Phoenix Press Inc., 1974 pp. 138-9).

"The same considerations compelled me to utilize the full authority of government, as vouchsafed to the Chief Executive by the Commander-in-Chief provision of the 1935 Constitution (already quoted), and subsequently also by the 1973 Constitution, to prevent the destruction of the social order by placing the entire country under martial law on September 21, 1972. I was aware that this was an extreme measure, but like everyone of the officials, intellectuals, businessmen, jurists, military officers and other leading citizens whom I had frequently consulted beforehand, I realized that the situation in which the country now found itself was likewise extreme. In hindsight, I am convinced more than ever that had I temporized or waited indecisively the conditions would have deteriorated so far that even superhuman effort would have failed to rescue the Filipino society from complete anarchy and total ruin.

"All the indications that the country was fast slipping into irretrievable chaos were present, so large and persistent that only an eye blinded by perversity could have failed to read the omens in them. Elsewhere in this book I have described seven sources of that "imminent danger" to the nation that the framers of our old as well as new Constitution had wisely provided for. These were the revolutionaries bent on violence and destruction; the rightists with their plans for a coup d'etat; the secessionist movement in the south; the private armies and the political warlords; the criminal elements; the oligarchs; and foreign intervention-

ists. Each of these perils, allowed to go unchecked, would in time have been sufficient by itself to endanger the peace and stability of society. As I point out in another chapter of this book, "on the basis alone of the Communist insurgency, I could have proclaimed martial law earlier." As it was, all of these dangers had been acting together, as if in a strange pact or conspiracy, and were converging upon the weakened defenses of government. Their convergence posed a threat of rebellion greater even than that which had faced the country in 1950, when the privilege of the writ of habeas corpus was lifted by the late President Quirino.

"To some extent, I had attempted to cope with the danger in its earlier stages by resorting to the same constitutional remedy that President Quirino had taken in 1950. Avoiding the extreme recourse prescribed by the fundamental charter, I merely suspended in 1971 the privilege of the writ of habeas corpus in some areas in the country. Although this slowed down the deterioration of public order, it proved soon enough to be no more successful than a palliative. The Supreme Court itself, in deciding a case (*Lansang et al v. Garcia, etc.*, G.R. No. L-333964) that had been filed in connection with the suspension of habeas corpus, acknowledged in these words the deep roots of the problem and its pertinacity:

"Such New People's Army is per se proof of the existence of a rebellion, especially considering that its establishment was announced publicly by the recognized CPP (Communist Party of the Philippines). Such announcement is in the nature of a public challenge to the duly constituted authorities and may be likened to a declaration of war, sufficient to establish a war status or a condition of belligerency, even before the actual commencement of hostilities.

"We entertain, therefore, no doubts about the existence of a sizeable group of men who have publicly

risen in arms to overthrow the government and have thus been and still are engaged in rebellion against the Government of the Philippines."

"The Supreme Court took note of this condition in 1971, before the proclamation of martial law. Indeed, the gravity of the situation could not have escaped any one. Several attempts by the rightists had been made at a coup d'etat through my assassination. Anarchy had become the order of the day. The violent crimes, including kidnapping, arson and robbery, were being committed in flagrant defiance of the police not only in Manila but all over the country. The destruction of the electrical, telephone and water systems in Metropolitan Manila and coldblooded bombings of crowded areas, killing innocent spectators, were daily occurrences. The rebels were openly proclaiming in violent demonstrations and parades their plan to take over the government.

"Business had ceased. Government funds had dwindled dangerously and the foreign exchange reserves of the Central Bank had disappeared. Entrepreneurs were fleeing the country, and so were the children and the other members of well-known families.

"Famine stalked the entire nation in the wake of the floods of July and August which destroyed not only the road system but the irrigation and flood control system of Central Luzon, the bread basket of the Philippines. The situation was aggravated by a drought that followed the floods.

"In July, a big shipment of assault rifles, rocket launchers, electronics items and food supply arrived in Digoyo, Palanan, Isabela, which, as intelligence reports indicated, was only one of several such landings of armaments and supplies intended for the rebels.

"The Armed Forces of the Philippines had been kept from taking action against the rebels because members of

the National Security Council representing the political opposition were themselves engaged in subversion and, therefore, intent on preventing the implementation of an operations plan for military counteraction designated by the armed forces as OPLAN Sagittarius.

"My repeated offer to the opposition political party to adopt a common stand against the rebels and to establish a coalition government was peremptorily rejected. Instead the opposition party took steps to paralyze the operations of the government.

"The situation deteriorated to such an extent that many government officers and employees were no longer going to their offices.

"In addition to this, by September 1972, we had also confirmed the plan of a secessionist group in Mindanao and Sulu to mount large-scale operations against military installations and personnel in the south under their organization called the Moro National Liberation Front, or MNLF. To support these large-scale operations, about 20,000 assault rifles and even rocket launchers had been shipped from foreign sources through the southern backdoor.

"Despite the subsequent proclamation of martial law, the secessionists, by 1973, had succeeded in decimating our already thinly spread armed forces in the southern part of the Philippines, occupying and keeping substantial portions of Philippine territory, including almost all of Sulu, with the exception of centers of municipalities, the island of Basilan, and the Mindanao provinces of Cotabato, Lanao del Sur and parts of Zamboanga del Sur.

"The Armed Forces of the Philippines was spread thin in Mindanao and Sulu inasmuch as we were occupied with the campaign in Luzon and Eastern Visayas against the New People's Army which, taking advantage of the

numerous other dangers to the country, had accelerated its plans to take over the political authority by force and increased the tempo of its attacks. By 1976, it was estimated that anywhere from 500,000 to 1,000,000 persons were displaced in the secessionist areas of southern Philippines and our armed forces had suffered about three thousand killed in action and six thousand wounded in action. Most of the towns were in ruins; plantations, farms, as well as industries, were abandoned, haunted and smouldering.

"The territories conquered by the Moro National Liberation Front were recovered only after the organization of the Muslim and Christian natives in the area into Civilian Home Defense Forces (or CHDF) who were, to begin with, members of the reserve force of the Armed Forces of the Philippines and who themselves were veterans. These patriotic and dedicated village defense units composed of volunteers held back the MNLF until the arrival of military reinforcements from Luzon and the Visayas. These military units with whom the CHDF now operated in conjunction, recovered all the territories occupied by the MNLF by the middle of 1975. By 1976, the MNLF was driven to the inaccessible mountain tops and dispersed into small groups which were no longer capable of occupying or keeping permanent military installations or territory.

"As of December 23, 1976 an agreement more commonly referred to as the "Tripoli Agreement" was entered into between the Philippine Government and its rebel nationals in the south represented by Nur Misuari, known as the chairman of the Moro National Liberation Front. A ceasefire was declared in Southern Philippines under the terms of which the MNLF and the Armed Forces of the Philippines would stay in place and stop all aggressive operations. A Ceasefire Committee was to be organized, composed of representatives of both the Armed Forces of the Philippines

and the MNLF on the level of field commanders in the Southern region. Under the agreement, the MNLF would be permitted to enter the towns peacefully to visit their families and to check in their firearms. A provisional government was to be organized by the President of the Philippines over certain provinces to prepare for a referendum that was to be called as soon as possible. The referendum was meant to determine which of the provinces or municipalities of the Muslim inhabitants would be included in an autonomous region to be governed by a Regional Legislative Council elected by all the residents of the region and by an executive body chosen by the Council to execute the laws and its policies. The Tripoli Agreement also provided for a new round of conversations to be held in Tripoli from February 5 to March 3, 1977, with the members of the Islamic Conference Quadripartite Commission composed of Saudi Arabia, Libya, Somalia and Senegal as observers. These later negotiations broke down on the question as to what provinces should be included in the autonomous region and the demand of the Moro National Liberation Front for a separate army of about 15,000 men to be commanded by a major general of the MNLF directly under the central committee of that secessionist organization rather than under the Armed Forces of the Philippines. The MNLF also demanded to have their own flag, their own seal and separate name, Bangsa Moro State. They insisted that thirteen provinces including those in which Muslims did not predominate and where there had been no hostilities be brought under the jurisdiction of the Bangsa Moro State. They also demanded that the provisional government for the thirteen (13) provinces be controlled by the MNLF and that a transition of six (6) years be agreed upon for the provisional government to consolidate its position before the election of the members of the legislative council would be held.

"During that period of six years, the MNLF would exercise the rights to remove governors, mayors as well as employees of the government, thereby assuming an unlimited and unchecked power to remove elective officials as well as government employees from the service, presumably including national officials.

"Since there was a breakdown in the conventions, President Muammar Khaddafy of the Libyan Jamahiriya and I, at his instance, intervened and we arrived at an agreement by the exchange of cables on March 18 and 19, 1977. The terms of the agreement were:

- "1. That an autonomous area would be proclaimed by Presidential decree. This was immediately done.
- "2. That a provisional government be organized for the region, composed of the thirteen (13) provinces. This was also done and, although it was not part of the agreement, I offered the majority of the membership of the provisional government and the chairmanship to the Moro National Liberation Front. For some reason, they refused the offer. Accordingly, the provisional government was organized without representatives from the Moro Liberation Front.
- "3. That a referendum be called to determine administrative arrangements within the autonomous region.
- "4. That after the referendum, the provisional government undertook to administer the area of autonomy and call an election for the ruling body or bodies of the autonomous region or regions.

"The national Batasang Bayan or Legislative Council which had been organized in 1976 was convoked by me to act on these proposals, and the assembly passed a proposed

decree organizing regional governments throughout the Philippines along the lines that have been agreed upon in the Tripoli Agreement of December 23, 1976. This regional government was to be organized not only in the areas where the hostilities existed in Southern Philippines but in all the thirteen (13) regions of the Philippines.

"The provisional government then called for a referendum-plebiscite on April 17, 1977. In this referendum, the people decided against the control of the autonomous region by the Moro National Liberation Front as well as against the other demands of the Moro National Liberation Front for a separate flag, seal, separate army, separate auditor and practically a separate state. They opposed the establishment of a single autonomous region composed of thirteen provinces, but more than anything else they opposed the proposal that the Moro National Liberation Front control or dominate any autonomous government to be set up in any part of the thirteen provinces or the area of autonomy.

"The Moro National Liberation Front refused to recognize the results of the referendum and instead sought support for their subversive and rebellious program from the Islamic Conference which held its Sixth Session in Tripoli in May 1977. The members of the Islamic Conference, however, recommended that efforts be exerted by the Quadripartite Committee to bring about a peaceful settlement of the Southern Philippines problem.

"As of today the ceasefire under the Tripoli Agreement continues; the representatives of the Islamic Conference who were assigned to observe the ceasefire, particularly the officers from Saudi Arabia, Libya, Somalia and Senegal, are in the area participating in the effort to adhere strictly to the provisions of the ceasefire. In the meantime, efforts are being exhausted by the Philippine government to com-

municate with the leaders of the Moro National Liberation Front and bring about a final settlement of the problem.

"Public authority having thus been challenged and scorned by various foes which ringed it from all directions, including silent outposts within the public services itself, the government in September 1972 was in a stage of siege. The danger of collapse was growing each day, as the resources of public order were quickly eroded. Martial Law had become unavoidable.

"So long as these two principal groups of enemies of the Republic continue, as they do, to engage in rebellion with support from foreign sources, the need for martial law continues.

"Almost immediately after I had proclaimed martial law throughout the Philippines, I was called to account before the Supreme Court by citizens and groups who had somehow found it more to their taste that the status quo be maintained. It was represented before the high tribunal that the proclamation of martial law was unconstitutional. The challenge to the validity—and necessity—of the proclamation also generated a series of cases which came on the heels of subsequent events, such as the adoption in 1973 of the Constitution written by the Constitutional Convention elected in 1971; the ratification of the Constitution by the people in a plebiscite held on January 10 to 15, 1973; the referenda called subsequently, particularly those of July 1973 and February 1975 and the referendum-plebiscite of 1976.

"These subsequent cases before the Supreme Court raised the issue of the power of the President to promulgate decrees with the force and effect of law, and to propose amendments to the Constitution. They also inquired into the effects of the declaration of martial law on the rights

of the accused, such as the right to preliminary investigation, trial and bail.

"They also raised the question whether the Supreme Court had the power to review the acts of the President, from the proclamation of martial law to subsequent, related acts. Before 1971, the year I suspended the privilege of habeas corpus, it was an established principle of law confirmed in the Philippines in several cases, starting with *Barcelona v. Baker*, 5 Phil. 87 (1905), and ratified in *Montenegro v. Castaneda*, 91 Phil. 887 (1952), that the findings of the Executive as to the existence of conditions for the exercise of the powers under the Commander-in-Chief provision of the Constitution were final and conclusive upon the other departments of government, like the judiciary and upon all persons. This rule was modified in *Lansang v. Garcia* G.R. No. L-333964 (December 11, 1971), the Supreme Court explaining that the power to suspend the writ is subject to conditions so that, like other constitutional limitations, its exercise can be inquired into by the courts of justice. However, the court, quoting with approval Solicitor General Felix Antonio's formulation, stated that the scope of review of the court was limited only to the degree of determining whether the President acted arbitrarily.

"The Supreme Court then proceeded to state that the President had a basis for suspending the privilege of the writ of habeas corpus and did not act arbitrarily. The Court therefore pronounced the suspension valid.

"In the Martial Law cases after 1972, the Supreme Court adopted the same position as that enunciated in the case of *Lansang v. Garcia*.

"The 1905 case of *Barcelona vs. Baker* (5 Phil. 87) under the suspension of the privilege of the writ of habeas corpus by then Governor General Luke Wright was decided

under the Philippine Bill of 1902, the fundamental law for the Philippine government at the time, approved by the Congress of the United States. And in the case of *Montenegro vs. Castaneda* (91 Phil. 882) in 1952 involving the suspension of the privilege of the writ of habeas corpus by President Quirino under the Constitution of 1935, the Court noted that if the judicial department, or any officer in the government, could contest the orders of the President before complying with them, the hands of the President could be effectively tied until the aims of the rebels or invaders were accomplished. The "Executive Branch of the government," the court said, "through its numerous branches of the civil and military, ramifies every portion of the archipelago, and is enabled thereby to obtain information from every quarter and corner of the State." On the other hand, it noted, the judicial department has limited machinery for investigating general conditions.

"In the *Lansang vs. Garcia* case (1971) where the Supreme Court modified the original rulings, I personally welcome the inclination of the members of the Court to review the action of the President provided that it was limited to whether the President acted arbitrarily. We in government adopted the following formulation of the test, presented by then Solicitor General Antonio:

" 'Judicial inquiry into the basis of the questioned proclamation can go no further than to satisfy the Court not that the President's decision is correct and that public safety was endangered by the rebellion and justified the suspension of the writ, but that in suspending the writ, the President did not act arbitrarily.' "

"In an effort to stop the plebiscite of January 10 to 15, 1973, which I called to ratify the new Constitution, the opponents to the Martial Law administration filed a case,

Plana vs. Commission on Elections (49 SCRA 105) arguing that the President did not have the power to call the plebiscite and that, at all events, a plebiscite could not constitutionally be held because under a regime of martial law, the people would not be free to express themselves on current issues. While the case was pending, however, on January 10 to 15, 1973, the Citizens Assemblies or the Barangay throughout the country met and voted overwhelmingly for the ratification of the Constitution, deciding further that the vote be considered as a vote on the plebiscite. On January 17, 1973, the President by Proclamation No. 1102 proclaimed "that the Constitution proposed by the 1971 Constitutional Convention has been ratified by an overwhelming majority of all the votes cast by the members of the Barangays (Citizens Assemblies) throughout the Philippines, and has thereby come into effect." By a vote of 9 to 1 the Supreme Court held that the issuance of this proclamation rendered moot and academic the issues raised by the petitions in Plana vs. Commission on Elections.

"But in Javellana vs. Executive Secretary (50 SCRA 30) the petitioners sought to prevent executive officials from implementing the provisions of the new Constitution on the ground that it had not been validly ratified and that it had not come into force and effect. In Roxas vs. Melchor (L-36165) the petitioner sought, in addition, to compel by mandamus the President and President Pro tempore of the Senate to call the Senate to session in accordance with the 1935 Constitution which provided for the calling of Congress into session on the fourth Monday of January of every year, notwithstanding the 1973 Constitution which provides that the old bicameral 1935 Philippine Congress under a presidential type of government is replaced by a parliamentary unicameral National Assembly. On March 31, 1973, the Supreme Court after extensive and continuous hearings

dismissed the petition and then Chief Justice Roberto Concepcion of the Supreme Court ruled that there was no longer any judicial obstacle to the new Constitution being considered in force and effect. This effectively caused the lapse of the old Philippine Congress. In these cases, eight separate opinions were filed, with a resolution of the Court summarizing the various issues written by the then Chief Justice.

“In the case of *Aquino vs. Ponce Enrile* (59 SCRA 183) on a petition for a writ of habeas corpus by several persons arrested after the proclamation of martial law, the Supreme Court ruled almost unanimously that Presidential Proclamation No. 1081 on martial law was valid and that the rebellion which necessitated the suspension of the privilege of the writ of habeas corpus in 1971 had escalated instead of abated, the Court taking into account its findings in past cases, principally in the habeas corpus cases (*Lansang vs. Garcia*) of 1971 which relied on the testimony of military experts, government reports, and judicial notices, in the light of existing conditions. Having found the existence of a rebellion, the Court held it to be a reasonable measure for the President to order the arrest and detention of those involved in the rebellion. It ruled that the privilege of the writ of habeas corpus was impliedly suspended by the proclamation of martial law. It also ruled that in addition to the power to arrest and detain those whom he considers involved in the rebellion, he may impose conditions on those who may have been released. These conditions may include the requirement that the detainee shall not leave a certain area unless specifically authorized, that he shall not give interviews to mass media representatives, and that he shall abide in general by the proclamation of martial law.

“In *Aquino vs. Military Commission No. 2* (63 SCRA 546) the Supreme Court sustained the jurisdiction of mi-

litary tribunals to try civilians accused of crimes related to the objective of martial law on the ground that "prompt and effective trial and punishment of offenders" were essential to the exercise of martial law powers. The Supreme Court held that the "mere power of detention may be wholly inadequate for the exigency," and that "due process of law does not necessarily mean a judicial proceeding in the regular courts."

"In December of 1974 the President announced the holding of a referendum for January 30, 1975 which was later postponed to February 27 to give the people more time to study the questions submitted to them. Among the questions was whether the President should continue exercising martial law powers, including the power to issue proclamations, orders, decrees, and instructions with the force of law. The other question pertained to the manner of choosing local officials, although in Manila the question was so phrased as to inquire whether the people wanted the existing mayor-council form of government to be supplanted by another form of government through the organization of a manager or commission form of government under such terms and conditions as the President may decide by decree.

"In the case of Aquino vs. Commission on Elections the petitioners questioned the validity of decrees calling a referendum on these questions. The Supreme Court ruled that pursuant to the Transitory Provisions of the new Constitution President Marcos was authorized to continue in office beyond the four-year term to which he was elected in 1969; that until the interim National Assembly is convened, the President exercises lawmaking powers; that the calling of a national referendum and the appropriation of funds for the purpose are within his powers under Article XVII, section 3 (2) of the Constitution; and that martial law was not antithetical to the holding of a free referendum.

"In the cases of Magtoto vs. Manguera, Simeon vs. Ferrer and People vs. Isnani, the effectivity of the Constitution was specifically at issue because the provisions of the new Constitution were invoked by private individuals, the question in these cases being whether the right newly provided in article IV, section 20 of the new Constitution could be invoked to bar confessions obtained without the benefit of counsel before January 17, 1973, the date the new Constitution took effect, but presented in evidence in trials occurring after that date. The Supreme Court held in the negative.

"While the referendum cases entitled Aquino vs. Commission on Elections finally settled the validity of the incumbent President's exercise of legislative powers, in Sanidad vs. Commission on Elections (73 SCRA 333) the Supreme Court looked into the validity of the President's exercise of constituent powers. This arose out of the President's issuance on September 2 and 22, 1976 of Presidential Decrees 991 and 1033 calling for the holding of a referendum-plebiscite on October 16, 1976 and formulating the questions and amendments to be submitted to the people. The referendum-plebiscite was called in view of the people's expressing their opposition to the convening of the interim National Assembly provided for by the 1973 Constitution in previous referenda resulting in a constitutional impasse that held back the move towards normalcy. The referendum question was "Do you want martial law to be continued?" The plebiscite portion presented nine proposed amendments centering on the organization of an interim Batasang Pambansa or interim National Assembly in lieu of, and with a different composition from, the interim National Assembly that had been provided for in the 1973 Constitution.

"The Supreme Court ruled to dismiss the petition in an 8-to-2 vote but further ruled that the question is justifiable

even against the political question doctrine raised as one of the principal issues; that the President can propose constitutional amendments in view of the fact that the interim National Assembly was not in session and absolute necessity rendered it imperative for him to act as agent for and in behalf of the people to propose amendment to the Constitution. The Court decided that if the President shied away from the duty and declined to undertake the amending process, he would leave the government machinery at a stalemate or create in the powers of the State a destructive vacuum, thereby impeding the objectives of a crisis government "to end the crisis and restore normal times". The Court further stated "that in these perilous times, the Presidential initiative to reduce into concrete form the constant voices of the people supreme and after all, constituent assemblies or constitutional conventions, like the President now, are mere agents of the people".

"At the same time the Court noted that the President's act of submitting the questions and the constitutional amendments was not a unilateral move but rather the result of the prodding of the people's authorized instrumentalities. While the Supreme Court by a vote of 7 of the justices clearly ruled that the President could propose amendments to the Constitution, Chief Justice Fred Ruiz Castro held that this distinct second stage of the transition period, i.e., the period between the ratification of the new Constitution and the convening of the Interim National Assembly, constituent power has not been delegated to anyone but remains with the people and therefore may be exercised by them through the agency and the means of their choice. He said the President merely formalized the people's proposals when he issued Presidential Decree No. 1033. Two justices, Justice Teehankee and Justice Munoz Palma, expressed the opinion that since the Constitution defines and delimits the

powers of each department and prescribes the manner of the exercise of such powers, and the constituent power has not been granted to but has been withheld from the President or Prime Minister, it follows that the President's questioned decrees proposing and submitting constitutional amendments directly to the people are devoid of constitutional and legal basis.

"The long and exhaustive judicial scrutiny of all the acts of the President as well as the voluntary submission by the President of his acts not only to the Constitutional Assembly that was then in session but to the people themselves by way of plebiscites and referenda, as well as to the Supreme Court, has produced a framework of law and order that sets a high standard of conduct for all persons, whether in or outside the government.

"The conditions in the Philippines today, the handiwork of government and the people acting in concert under the discipline and with the vision of the New Society, are in sharp contrast to those prevailing in 1972. I believe, as most Filipinos do, that they justify the extreme measure I have taken, the recourse authorized by the Constitution and commanded by a sense of duty. In contrast to 1972, terror sown by crime and violence no longer hounds our people. Fraud and machination have ceased to mock the lawmaking process. Businessmen and investors are not intimidated by the propositions of the corrupt. The common citizen is confident that the revolution he has witnessed has restored opportunities long withheld by the greed and malevolence of the powerful. Above all, he can now pursue his life and his aspirations in an atmosphere of peace and order."

THEN, AGAIN, one may ask: If all these improvements have come about, why should authoritarian rule continue, why

should martial law go on? To answer this, I must admit that the temptation to be glib is very strong. I am, in fact, tempted to answer this question with another question: Why do crises continue to happen? For the plain and simple fact is that the crisis we sought to stem has not abated, the development we seek is not yet within our grasp. Worse, international events, of the past few months in particular, have only served to aggravate our domestic situation. I need only cite the recent *OPEC* price increases and the fall of a Southeast Asian government owing to, at least in part, these increases. Now you know as well as I do that these crises are certainly not of our making. In this regard, I must also note that we have not been responsible either for the rise of Islamic fundamentalism. I mention this to give advance notice that the developments in Iran and Libya may certainly have repercussions on the situation in the Philippine South, where our Muslim countrymen live. The trouble in the South persists, though we continue to take great strides in accommodation. Just recently, we were privileged to appoint a top rebel commander of the "Moro National Liberation Front" to the chairmanship of the Standing Committee of one of the regional assemblies. Did this event merit attention in American papers?

But there are stories and stories that the media, particularly in the United States, can report on if they would only make that extra effort and let them go that extra mile.

Taking that extra mile may well be worth the effort. And if it's high drama reporters are looking for, imagine what stories could emerge from such facts as the following: that 650,000 illegal firearms were seized soon after martial law was in force; that 300 private armies of corrupt political warlords and 2000 crime syndicates were eliminated, and that 50,000 unserved warrants were finally served where previously influence had stayed them. Then there is our land reform program, which has emancipated thousands of peasants and which is one of the suc-

cess stories in Asia today. There is our rice production program, largely aided by American grain scientists through the International Rice Research Institution, and which has enabled us to export rice where once we used to import it.

There is our infrastructure program, under which we have built more roads, more bridges, more warehouses, more schoolhouses, more rural electrification systems, more dams and irrigation systems than any other previous administration in our history. There are our programs for housing, population, nutrition, primary health-care and social service delivery, designed to give to every Filipino the basic needs of a decent life. But then these are hardly startling stories for those in affluent societies, where one worries not about the minimum but the maximum needs of the good life.

Then, also, the problem may be one of scale—the scale of perception and appreciation. Perhaps the scale of our reforms is something often taken for granted, assumed as something to be given in any society. We do not begrudge that perception. We ask only that we be given the benefit of a lower scale of perception. One if he wishes may consider the Philippines as a country that can ill afford the pleasures of political pluralism and disjointed political debate; as a country trying with all the means and resources within its grasp—and these are few—to fuse freedom and democracy with social justice.

The Philippines And The U.S.

The propensities of the media to which I have adverted remind me of the bewildering lack of information, on both sides of the Pacific, on the origins of Philippine-American relations. A short historical background would therefore seem appropriate.

The Philippines is a former colony of the United States. Some Americans baldly say that it was bought by the United States from Spain during the Spanish-American War through

the treaty of Paris for \$20 million. The antecedents of the purchase, and the treaty itself that effected the conveyance, are, to say the least, strange. The Philippines at that point in 1896 was a nation that had already succeeded in overthrowing the Spaniards from the countryside and establishing a government; its revolutionary forces had eliminated Spanish troops in the entire country except the Walled City of Manila. This succession of events is a story that does not do much credit to both Filipinos and Americans.

Up to now the history books of the Philippines point to the fact (which some American historians admit) that in 1898 Admiral Dewey and the American Consul General in Hongkong promised General Emilio Aguinaldo support in order to establish an independent Philippine state if Emilio Aguinaldo would resume the revolution against the Spaniards.

Dewey promised and gave Aguinaldo about 900 firearms to resume the revolution so that by the time the American Admiral brought his command to Manila Bay where he sank the Spanish fleet, the Filipino revolutionary forces had already won the war against Spain. The few remaining Spanish forces were driven back to the Walled City in Manila known as Intramuros, then beleaguered by Filipino revolutionary forces. Admiral Dewey convinced Aguinaldo not to take Manila by force by promising that both American and Filipino forces would join hands in capturing the capital. But to Aguinaldo's dismay, when American ground forces arrived, Filipino troops were kept from participating in the capture of Manila.

This and subsequent acts indicate that America had no intention of redeeming its promise to support the Filipinos in establishing an independent state. They caused the Philippine-American war, referred to in American history books as the "Philippine Insurgency," but which in our history books is recorded as the continuation of the war against the colonizer. For that indeed is what the United States came to be regarded by

us after imposing its will upon the Filipino people by means of a merciless and ruthless campaign. In that campaign helpless civilians, including women and children, were massacred, and villages, although they had not taken up arms against the American forces, were pillaged and destroyed.

These depredations were all justified by the proposition advanced by American officials that the Filipinos were unprepared for independence, a proposition constantly proclaimed although Filipinos had established a government which was effective in most parts of the country before they were overtaken by American military operations.

Thus began the assumption by the United States of the white man's burden in the Philippines.

Principally because Filipino culture reacts violently to any assault on Philippine territory, and partly because of the acceptability of Gen. Douglas MacArthur who helped to train the Philippine Armed Forces, the Philippine Armed Forces as a colonial military force was inducted in 1941 into the U.S. Armed Forces in the Far East to fight under senior American officers. Thus Bataan and Corregidor are prominent in the history of both countries. Yet, notwithstanding the assurances by American political leadership that help was on the way, Bataan and Corregidor were abandoned and the Philippines was compelled to fend for itself. America then turned its attention to Europe to protect or recover that part of the world from Nazi domination.

Thus the Philippines came under Japanese rule from 1942 to 1945.

The Philippines was the only country in Southeast Asia that effectively organized and fought underground resistance war. Guerrillas tied down from 200,000 to 300,000 enemy troops and, according to authorities on military strategies, prevented Japan from taking over Australia. In this war more than a million out

of 18,000,000 Filipinos lost their lives. After the surrender of Gen. Tomoyoshi Yamashita, Commander of the Imperial Japanese forces in the Philippines, to Filipino guerrilla forces in August 1945, many Filipino soldiers lost their chance to be incorporated into the American Armed Forces and to receive corresponding benefits because American legislation deprived them of their identification and recognition as members of the U.S. Armed forces. This and the cavalier attitude of some of the American military forces to the underground fighters contributed to the success of the Communist Party of the Philippines in mounting a rebellion against the government of the Philippines. Help came from some of the guerrilla forces who were convinced that the Americans could not be depended upon to keep their word.

In fairness to the American Congress when I joined the mission in 1946 and 1947 to call its attention to the wrong committed against the Filipino soldiers, that lawmaking body immediately passed a rescission act reinstating the Filipinos in the United States Armed Forces in the Far East as soldiers in good standing entitled to arrears in pay and other benefits.

But as has been pointed out repeatedly by the veterans of the USAFFE and the Filipino guerrilla movement, they had to beg for their identity and dignity and for their standing as soldiers of the free world. This humiliation was experienced notwithstanding the promises of President Roosevelt and Gen. Douglas MacArthur made almost daily during the Bataan siege.

The Filipino, however, is fundamentally a believer in the free world principles as against totalitarianism, so that in the cold war that ensued during the Korean and Vietnamese wars Filipino soldiers supported the American forces.

Recently the Philippines finally, after a long period of negotiations starting in 1965, came into an agreement with the United States on the use by American forces of facilities in Philippine

military bases. The turning point came when the United States recognized the sovereignty of the Philippines over the territory occupied by the military bases, territory that had been transferred by the United States through the U.S.-Philippine Military Bases Act of 1946. The principal reason for the grant of such facilities by the Philippines is that the military presence of the United States in Asia is necessary to maintain a balance of power between the superpowers and other states who have a legitimate interest in Asia.

This to us is paramount, exceeding the importance of the grievances that the Filipino people might have against the United States. Notwithstanding such grievances, in fact, there is in the Philippines a deep reservoir of goodwill for the United States and its people. The generation to which I belong, for instance, fought alongside the American soldiers in World War II, and is now the generation managing the national and local governments in the Philippines. It is also the generation that fought totalitarian ideology increasingly in the communist rebellion against the Republic after the war.

The principal danger and threat to the stability of the small nations of the Third World or, for that matter, of Asia, is not only the economic crisis or the ability of the developing countries to bring about the new international economic order but the reality of subversion, which occurs daily along with terrorism and the deterioration of our respective economies.

The situation is not helped any by the American media. On the contrary, the media have succeeded in misconstruing or misreading the aim and the nature of subversion in the Third World countries. Either from the sheer shock of defeat in the Vietnam war or from deliberate refusal to make a cold-blooded analysis, violent or insidious operations like subversion, exported war, war by surrogates, massive infiltration, agitation and propaganda, as well as other schemes, have been lumped into a

single mass or category, that of pure, simple and legitimate political opposition. In some instances they are encouraged as such legitimate opposition not only by the American media but the American government.

This is one of the greatest errors of the Western world. At the very least we should draw the line between the political parties that utilize means short of violence to attain their political objective, and those parties or groups that openly use force and terrorism to attain their ends.

The American media have made no effort whatsoever to make such a distinction.

The American media and sometimes the American government have failed to distinguish between these two: tyranny, in which the military or a clique supported by the military took over powers of the civil government and encroached upon the rights of individuals; and authoritarianism, which actually means the effective exercise of its powers by the civilian government, with the support of the military, to enforce already existing laws.

When a revolutionary leader comes to power in an undeveloped country, the entire society is usually in disarray. There is no authority to enforce laws that have actually been legislated by previous administrations, including penal laws against arson, banditry, looting, pillage, piracy, and massive frauds. All that the people ask when such uncertainty arises is some kind of authority that can enforce the simple laws of a civil society, and later move into the more complicated business of establishing a society in which life and property are assured and adequate measures of protection and the development of the citizens is a serious undertaking.

When a leader is faced with such anarchy, he immediately realizes that the situation calls not for theory or scholarly disquisitions but for a swift solution to problems. What are the

options at his disposal? Consider that he is confronted by problems which he must immediately solve with conditions that he must quickly alter, or else he must make way to a more aggressive leader.

Most often the Third World leader is asked by the American government and media whether his government conforms to the American model or to the Soviet Union model. He probably will say: I do not care what model is adopted. All I want is an effective government. It could very well be a mongrel or a cross-breed, and as such unacceptable to conventional wisdom. This is the situation of Prime Minister-elect Mugabe of Rhodesia. Upon his election he announced that he was a socialist; but looking closer at the economy of Rhodesia, he also stated that he would have to maintain the capitalist framework of that country so as not to cause any dislocation.

In all of these new societies, the question is whether the government is effective in enforcing the laws and in maintaining a peaceful society. If the leader cannot attain this first goal, then he has failed in his first test and the result is anarchy all over again.

The prime example of this is Uganda where, after the fall of Idi Amin to Tanzania and the indigenous Ugandan forces, two Presidents have taken over but the government is so ineffective that anarchy has started to rule the land.

No matter how perfect the theoretical plans of the leader, therefore, if it is not an effective organized government, anarchy is still the result and he can be said to be a failure and in danger of the liquidation of his political and physical life.

When the Western media, therefore, criticize the Third World leaders for not conforming to the American model, those media announce their inherent lack of objectivity. There is no Third World leader, except the truly brutal and ruthless killers already eliminated one by one, who is openly and flagrantly

violating human rights, particularly by torturing prisoners and depriving people of their liberty and property without any legal reason and in violation of the country's constitution. I hold no brief for any leader who has no compunction in committing these abusive acts but I certainly question the habit of American and Western media of denouncing as tyrants almost all leaders of the Third World who have not copied the American democratic model of government.

In addition, to establish an effective government, there is a need to keep the government flexible so that it might be able to meet any swift changes in the situation with facility. The American model is a model of checks and balances, of deadlocks, of stalemates between the President and Congress. A more efficient model would be the parliamentary system where the executive is the leader and member of the parliament. In cases of extreme necessity where there is outright rebellion, invasion or insurrection or imminent danger thereof as provided in some constitutions, the leader should have the power to act swiftly and quickly to meet such an emergency.

Under the American model, the leader of the government does not have such an authority. It, therefore, cannot be considered as an efficient and effective agency to meet the requirement of a developing country like the Philippines.

When and if the Philippines reaches the same stage as that of some of the developed countries and subversion has been eliminated to a point where it no longer threatens the stability of the government and society, then that would be the time to consider the adoption of less efficient models of government.

But even American observers have questioned the efficiency and effectiveness of the American model, and thus we have some authors who declare that the distribution of powers that was the compromise in the drafting of an American Federal Constitution had to be made at a price, and that the price is efficiency.

Then as now not a few political scientists and observers have sought to change the American system.

Note, for instance, the words of President Lincoln himself. When he was faced with a national crisis, he said: "Was it possible to lose the nation and yet preserve the Constitution? By general laws, life and limb must be protected, yet often a limb must be amputated to save a life, but a life is never wisely given to save a limb. I felt that measures otherwise unconstitutional might become lawful by becoming indispensable to the preservation of the Constitution through the preservation of a nation."

Today, contemporary voices are with equal eloquence calling on the United States "to reorganize for the future." Former Secretary of the Treasury Douglas Dillon, an American statesman who has served his country long and well, asked the National Institute of Social Services last year to ponder these words:

"That future will be a world in which the United States will be faced with recurring crisis of kinds that cannot possibly be foreseen, crisis that will test our will and our fortitude and which will require prompt and united responses from our nation. I very much doubt that in such a world we can long continue to afford the luxury of the division of power and responsibility between our executive and legislative branches of government which, since the founding of our Republic, has differentiated our system from her parliamentary system generally used in other Democratic countries.

"I have no pat answer. But I do know that until we are prepared to examine the basic structure of our Federal System and its functioning in today's world rather than indulging ourselves in continuous personal and political recriminations, our problems will remain with us and, in all probability, increase in severity. It is my deep and great

hope that we as a nation will undertake this reexamination before it is forced upon us by an overwhelming crisis that no one wishes to contemplate. If we do, I have confidence that we Americans will find an answer that will both preserve our liberties and guide us through the rough times that lie ahead."

Walter Bagehot's perception of the American system is equally instructive. "The English Constitution, in a word," he says, "is framed on the principle of choosing a single sovereign authority, and making it good: The American, upon the principle of having many sovereign authorities, and hoping that their multitude may atone for their inferiority."

Similar anxieties led me even earlier, in 1972, to face up to the realities of political and economic life in the manner now familiar to all.

The Drama of Development

Man's inhumanity to man, human frailties and foibles, are the common stuff of news; to be fair, newspapers do not invent the bizarre, but all too often, it seems, they seek it out, especially in the Third World countries, to the exclusion of almost everything else. But drama is also the stuff of news, and in many developing countries, there is high drama in the pursuit of economic and social development.

I have yet to read, for example, any account of what has transpired in the Philippines in the last seven years. May I say, parenthetically, that tomes and tomes of copy came out of the People's Republic of China when that vast country was opened up to American journalists, while development in the country regarded as a U.S. ally was ignored, and yet the features of its development could be seen readily without any kind of official guidance.

The economy has grown at a rate of 6.6 per cent annually from 1972-1979, an improvement over the performance of 5.0

per cent in 1965-1972 despite serious external developments. The population growth, reduced to 2.38 per cent in 1979 after reaching a high rate of 3.0 per cent in the early 60s, has become more manageable. In spite of cultural diversity, the desire for smaller families is more common today among 46.6 million Filipinos than in previous years. Progress and family welfare consciousness contributed to this. The per capita income increased from ₱736 (\$189) in 1965 to ₱1428 (\$214) in 1972 and ₱4630 (\$626) last year.

Table 1

ECONOMIC INDICATORS OF SELECTED COUNTRIES: 1978

	Gross National Product (GNP) ^{1/} Million U.S. \$	Average Growth ^{2/} (1973-1978)	GNP Per Capita U.S. \$
Malawi	\$ 1,102	6.0%	\$ 194
Indonesia	31,242	7.7	215
Zambia	2,362	1.2	434
PHILIPPINES	21,180	6.8	457
Honduras	1,609	4.4	468
Thailand	23,065	7.9	511
Paraguay	2,244	8.1	776
Ecuador	7,364	10.3	943
Panama	2,043	3.5	1,116
Korea, Rep. of	43,942	11.0	1,187
Malaysia	15,688	7.8	1,210
Mexico	81,592	4.5	1,219
Brazil	151,855	8.6	1,316
Venezuela	36,370	6.5	2,772
Greece	30,363	4.3	3,244
Singapore	8,118	7.7	3,484
United Kingdom	293,172	2.2	5,252
Canada	171,164	4.0	7,284

^{1/}— At current prices

^{2/}— GDP at 1975 constant prices

Sources: International Financial Statistics (IFS)
United Nations Monthly Bulletin of Statistics

Major sectoral advances have been made in food production, industry, exports, and other production sectors, including services.

In agriculture, after having been a perennial rice importer, the Philippines is now self-sufficient and is exporting rice. In 1977 alone, 241 million metric tons were sold abroad. Total crop production of rice, corn, commercial and other food crops increased from 12.2 million metric tons in 1965 to 15.2 million metric tons in 1972, increasing at a much faster rate since, and reaching 24.4 million metric tons in 1979. Fish production has also improved, growing by 6.5 per cent annually since 1965 and reaching 1.6 million metric tons in 1979. Food security, modest surpluses for exports and additional employment have thus been established. The Masagana 99 program, which provided ₱3 billion in credit in one year, accelerated farm productivity.

Continuous investment expansion has been made in public works, private construction and installation of new industrial capacity. These have permitted an employment rate of about 95 per cent for many years now and the development of technology and manpower skills. In 1979 there were an additional 204 thousand Filipino skilled workers who took jobs abroad, contributing to the \$350-\$400 million annual income remittances. Local construction and engineering companies have benefited also through contract work abroad, with jobs amounting to an average \$500 million annually in recent years.

Table 2
INFLATION OF SELECTED COUNTRIES

	Inflation Average for 1973-1978
Malawi	8.8%
Indonesia	21.7
Zambia	13.3
PHILIPPINES	14.0

Honduras	7.1
Thailand	10.2
Paraguay	11.5
Ecuador	14.5
Panama	7.0
Korea, Republic of	15.4
Malaysia	7.5
Mexico	18.8
Brazil	30.8
Venezuela	7.5
Greece	15.6
Singapore	9.4
United Kingdom	15.0
Canada	8.9

Source: United Nations Monthly Bulletin of Statistics

Table 3

EXTERNAL PUBLIC DEBTS*
SELECTED COUNTRIES

	External Public Debt			
	Outstanding & Disbursed		As Percentage of GNP	
	Million US Dollars 1970	1977	1970	1977
Philippines	630	5,490**	9.2%	18.7%**
Central Bank	—	395	—	1.3
Government	—	5,095	—	17.4
Indonesia	2,405	11,409	26.7	25.6
Thailand	322	1,051	4.9	5.8
Korea, Republic of	1,797	8,472	21.5	26.9
Peru	848	4,659	14.0	38.4
Malaysia	390	2,053	10.0	16.7
China, Republic of (Taiwan)	601	2,613	10.6	13.4
Panama	194	1,349	19.0	60.9
Costa Rica	134	735	13.8	26.5

Brazil	3,405	19,221	7.6	11.8
Singapore	145	994	7.6	15.5

* External Public Debt Outstanding—amount of public and publicly guaranteed loans that has been disbursed, net of cancelled loan commitments and repayments of principal.

** 1979

Summary:

In absolute levels or as per cent of GNP, the external public debts of the Philippines is still manageable and low compared to some other countries.

The industry sector, even as it was undergoing restructuring, has contributed significantly to development, its share in total economic activity having risen from 29 per cent in 1967 to 31 per cent in 1972 and to about 35 per cent today, surpassing the performance of agriculture. Several industries produced essential and vital products for our people, for exports and for enlarging the production base. Industrial development is being advanced further by the establishment of new industrial estates and three export processing zones—in Bataan, in Mactan and in Baguio City. From the Bataan export processing zone, total exports, amounting to only \$130 thousand in 1973, increased to \$113 million in 1979. The Mactan and Baguio export processing zones, now being established, have received numerous applications to operate from respectable foreign companies.

Foreign trade has expanded remarkably since 1965, when the export profile consisted mainly of raw materials like copra, logs and mineral ores, with a few manufactures. With the massive export drive and trade policy reforms started in 1972, total exports reached \$4.6 billion in 1979. Of these, only about half is now accounted for by traditional raw materials and other products, while three-fourths of the rest are manufactures such as garments, electronic components, transport equipment and others. Electronics exports, in particular, recorded a re-

markable increase. Targeted for \$174 million in 1979, they actually rose to \$360 million, or a 208 per cent accomplishment. They are expected to continue posting large gains.

This improved export performance has produced a manageable balance of payments (BOP) position. Also, the utilization of foreign loans was concentrated on priority projects and has been stabilized in relation to total resource needs of the development program. The debt service ratio was kept within the 20 per cent benchmark. While the Philippines, like many countries, suffered from high oil prices which affected their balance of payments, the peso-dollar exchange rate has remained relatively stable and has depreciated by only around 10 per cent since the devaluation of 1970. The depreciation of other currencies like the Japanese yen, the Korean won, the Indonesian rupee and others has been much greater.

The total budget of the national and local governments grew in response to the needs of a developing economy, from a level of ₱2.7 billion in 1965 to ₱6.3 billion in 1972 and ₱42.2 billion in 1979, representing average annual growth rates of 12.9 per cent during the period 1965-72 and 31.2 per cent in 1972-79.

Table 4

GROSS NATIONAL PRODUCT AND GROSS DOMESTIC PRODUCT
(Growth Rates at Constant Prices of 1972)

	GNP Ave. Growth	GDP Ave. Growth	End-Term Average GDP Per Capita
NEW SOCIETY (1973-present)	6.6%*/	6.3%*/	₱1,814

PRE-NEW SOCIETY

(1965-1972)

5.0

4.3

1,444

SOURCE OF BASIC DATA: NEDA National Income Accounts Series
(1946-1979)NEDA 1977 Statistical Yearbook of the
Phils:

Population Labor Force and Employment.

*/ Data Series from 1973 to 1979 only

Table 5
INFLATION RATES

	Consumer Price Index (1972=100) Average Growth	Import Price Index (1972=100) Average Growth
NEW SOCIETY (1973-present)	14.4*/	18.1*/
PRE-NEW SOCIETY (1965-1972)	7.7	3.4

SOURCE OF BASIC DATA: NCSO

NEDA 1977 Statistical Yearbook.

*/ Data series from 1973 to 1979 only. Higher rates due to all
price increases (imported inflation).

Tax reforms initiated to meet the development objectives of equity, industrial efficiency and promotion of desired economic patterns, contributed substantially to the creation of necessary resources.

Revenue receipts rose by an average annual rate of 13.4 per cent in 1965-72 and 28.7 per cent in 1972-79, representing

revenue efforts (ratio of revenues to GNP) of 11.5 per cent in 1965, 11.7 per cent in 1972 and 16.9 per cent in 1979. The tax structure has improved significantly since the latter half of the sixties owing to closer monitoring and intensified revenue collections. Indirect taxes, such as the energy and sumptuary taxes, have likewise contributed to equity taxation through the imposition of higher rates on the consumption of the more affluent sectors. Tax administration has been simplified and local governments were allowed to strengthen their resource generating capacity.

The share of total expenditures to GNP was 11.5 per cent in 1965, 11.4 per cent in 1972 and 19.6 per cent in 1979. In 1965, 85 per cent of the total budget was spent for operating expenditures and the rest for capital outlays. The share of current operating expenditures declined slightly in 1972, and in 1979 was further reduced to only 63.5 per cent, dramatizing the shift to more capital outlays in pursuance of development.

To summarize according to the various areas of the economy, I will adopt the Chinese example and give you a comparison of economic and social developments in the seven years of the New Society and the seven years before it was launched. Real Gross National Product (GNP) increased at an average annual rate of 6.6 percent from 1972-1979 as compared to the average yearly growth of 5.0 percent from 1965-1973. Per capita income amounted to \$626 in 1979, which is three times more than the 1972 level of \$214, and more than six times the 1965 level of \$189.

The rate of employment increased at an average rate of 4.2 percent against 2.3 percent during the period 1965-1972. On the other hand, unemployment and underemployment went down to 5.1 percent and 10.9 percent in the last seven years against 7.7 percent to 23 percent for the previous period. Unemployment is expected to be maintained at an average rate of 4 percent in the eighties.

As a temporary measure to ease unemployment and under-employment, the government will continue to allow the export of manpower. A total of 115,000 workers is estimated to have been placed in 1979 as compared to the placement of 15,419 in 1973, thus registering a compound annual growth rate of 21.1 percent.

The effective minimum wage increased from a maximum of around ₱8.00 in 1970 to a maximum of ₱26.00 as of February this year.

The income share of the lowest 21 percent of the population increased from 2.5 percent in 1965 to 5.5 percent in 1975. (See Summary Table)

Meanwhile, through the government-initiated population control program, which was carried out without offending the conscience of our deeply religious countrymen through an emphasis on the over-all welfare of the family and society, population growth has been reduced to 2.3 percent from the average annual growth of 3 percent between 1960 and 1970.

Quite contrary, then, to the facile suggestions of some quarters that there has been no distribution of wealth, the Gross National Welfare of the Filipino has been enhanced in the seven years of The New Society.

But we find not even a passing mention of this evident fact in the Western media. Expectedly, there has been no mention as well of the principle of our governance, which is the democratization of wealth in the Philippines. One does not hear of the dramatic transformation of the pre-1972 feudal structure of the land tenure system, which was the very first proclamation of the crisis government. Through the land reform program, 411,292 certificates of land transfer have been issued, so that by 1980, we shall have transferred to our peasantry around 1.3 million hectares. On the other hand, the Land Bank of the Philippines has

Summary Table
PHILIPPINE DEVELOPMENT INDICATORS

	1965	Level 1972	1979	Ave. Annual Growth Rate (%) 1965-72	1972-79
A. GROSS NATIONAL PRODUCT					
(million pesos)					
GNP at constant 1972 prices	39,520	55,526	86,731	5.0	6.6
GNP at current prices	23,382	55,526	215,659	13.2	21.4
Per Capita GNP at constant 1972 prices					
In Pesos	1,244	1,428	1,862	2.0	3.9
Per Capita GNP at current prices					
In Pesos	736	1,428	4,630	9.9	18.3
In US dollars	189	214	626	1.8	16.6
Gross Value Added at constant 1972 prices, TOTAL	(1967)			(1967-72)	
Agriculture, Fishery and Forestry	44,093	56,075	86,539	4.9	6.4
Industry	13,052	16,040	22,585	4.2	5.0
Services	12,766	17,442	30,491	6.4	8.3
	18,275	22,593	33,463	4.3	5.8
B. INVESTMENT AND SAVING					
(million pesos at current prices)					
Gross Domestic Investment	4,883	11,573	63,353	13.1	27.5
Gross National Saving	5,105	11,679	52,629	12.6	24.0
C. EMPLOYMENT					
(millions)					
Total Employed	9.7	12.1	16.4	3.2	4.4
In Agriculture	4.8	6.3	7.8	4.0	3.1
In Nonagriculture	4.9	5.8	8.6	2.4	5.8
Unemployed	0.72	0.83	0.78	2.0	(0.9)
Per cent of Labor Force (unemployment rate)	6.9	6.4	4.5	—	—

	1965	1972	1979	1965-1972	1972-1979
D. INFLATION RATE					
Metro Manila	2.4	10.0	18.8	7.8	13.4
Philippines	n.a.	16.5	16.5	n.a.	14.0
Oil Price (\$ per barrel)	1.76	2.06	16.94	2.3	35.1
E. PUBLIC FINANCE					
<i>National Government</i>					
(billion pesos, obligation basis)					
Current Receipts	2.1	5.1	34.0	13.5	31.1
Current Expenditures	1.8	4.1	23.5	12.5	23.3
Current Surplus	0.3	1.0	10.5	18.8	39.9
Capital Expenditures	0.3	0.9	14.9	17.0	49.3
Total Expenditures	2.1	5.0	38.4	13.2	33.8
Economic Development	0.8	1.9	15.3	13.2	34.7
Social Development	0.7	1.6	9.5	12.5	29.0
Housing and Community Development	n.a.	n.a.	1.7	n.a.	n.a.
Education	0.6	1.3	4.9	11.7	20.9
Health	0.1	0.2	1.7	10.4	35.8
Social Security & Welfare	0.03	0.08	1.2	15.0	47.2
Defense	0.3	0.8	4.7	15.0	23.8
General Public Service	0.3	0.6	8.9	10.4	47.0
<i>Local Government</i>					
(billion pesos, obligation basis)					
Current Receipts	0.6	1.4	4.0	12.9	16.2
Current Expenditures	0.5	1.2	3.3	13.3	15.5
Current Surplus	0.08	0.3	0.7	20.8	12.9
Capital Expenditures	0.07	0.2	0.4	16.1	10.4
Total Expenditures	0.6	1.3	3.7	11.0	16.2

Economic Development	1965	1972	1979	1965-72	1972-79
Social Development	0.2	0.4	1.3	10.4	18.3
General Public Service	0.1	0.6	1.6	29.2	16.0
	0.27	0.34	1.8	3.3	13.4
F. SAVINGS AND CREDIT					
(million pesos)					
Savings and Time Deposits					
Domestic Credits Extended by					
Monetary System ^{2/}	2,489	5,402	26,565	11.7	25.6
Public Sector					
Private Sector	7,524.7	16,290	79,551	11.7	25.4
Loans Outstanding of Commercial		3,163	8,637		15.4
Banks, Agriculture, Fishery &		13,127	70,914		27.2
Forestry	7,766.7 ^{3/}	32,689.4	68,264.2	22.8	11.1
Industry	1,141.6	2,551.2	7,738.3		
Trade	2,481.7	8,318.3	29,372.6	12.2	17.2
Services	3,022.6	13,872.7	13,825.4	18.9	19.7
Total Resources of Banking System	1,120.8	7,947.2	17,327.9	24.3	(0.05)
	8,591.9	26,753.5	153,769.4	32.3	11.8
	(1968)			17.6	28.4
G. FOREIGN TRADE				(1979) ^{4/}	
Merchandise Exports					
(million dollars)					
Nontraditional Manufactures					
Coconut Products	32	78	1,496	25.0	52.5
	236	228	1,024	(0.8)	23.9

^{1/} Beginning 1979, data were revised to consider only the treasury cash holdings, the Central Bank and the Commercial Banking System operations as the origin of money supply.

^{2/} Included monetary authorities and commercial banking system.

^{3/} Total Credits Granted by Commercial Banks.

^{4/} Preliminary

	1965	1972	1979	1965-72	1972-79
Mineral Products	114	240	820	20.4	19.2
Sugar Products	151	216	238	9.4	1.4
Forest Products	257	226	484	(3.2)	11.5
Fruits and Vegetables	30	49	190	13.1	21.4
Others	38	69	349	16.1	26.1
TOTAL	858	1,106	4,601	6.5	22.6
Total Exports (million dollars)	858	1,106	4,601	6.5	22.6
Traditional Exports	820	984	2,555	4.7	14.6
Nontraditional Exports	36	118	2,017	34.5	50.0
Manufactured	32	78	1,496	25.0	52.5
Unmanufactured	4	40	521	77.8	44.3
Re-exports	2	4	29	18.9	32.7
Total Imports (million dollars)	(1965) 807.6	1,230	6,142	6.2	25.8
Capital Goods	283.4	434	1,785	6.3	22.4
Rawmaterials and Intermediate Goods	263.5	444	1,905	7.7	23.1
Mineral Fuels and Lubricants	75.7	149	1,385	10.2	37.5
Consumer Goods	185.0	203	1,067	1.3	26.8

⁴/ Preliminary.

H. BALANCE OF PAYMENTS					
(million US dollars)					
	<u>1965</u>	<u>1972</u>	<u>1979</u>	<u>1965-72</u>	<u>1972-79</u>
Exports	784	1,106	4,601	5.0	22.6
Imports	808	1,230	6,142	6.2	25.8
		94	2,342	(9.4)	58.3
Physical Performance					
End Year Target	—	100	100		
Accomplishment (per cent)	—	—	72		
Highway Kilometerage Cumulative					
(TOTAL)	55,544	77,278	110,039	4.8	5.2
Length of Existing Bridges (1.m.)	242,941	287,634	372,160	2.4	3.8
Irrigated area (hectares)	571,375	780,158	1,269,243	4.5	7.2
Number of airports in operation	114	137	199	2.7	5.5
No. of Parts Developed	622	622	849	—	4.5
Rural Electrification (cumulative)					
No. of household with access to electricity (in thousand)	—	76 (1973)	1,044		54.8
Installed capacity (megawatts)	—	2,400	4,157		8.2

I. AGRICULTURAL PRODUCTION

	1965	1972	1979	1965-72	1972-79
Total crop prod. (million metric tons)	12.2	15.2	24.4 (1978)	3.2	3.2 (1972-73)
Palay prod. (million metric tons)	4.3	5.1	7.2	3.5	5.9
Corn production (million metric tons)	1.3	2.0	3.1	6.3	6.5
Fish production (million metric tons)	0.7	1.1	1.6	6.7	6.4
Per capita palay prod. (metric tons)	0.126	0.131	0.155	0.6	0.2
Per capita palay prod. (metric tons)	0.041	0.061	0.067	3.2	4.0
Per capita corn prod. (metric tons)	0.022	0.028	0.035	3.5	3.3
Per capita fish prod. (metric tons)	0.384	0.391	0.538 (1978)	0.3	5.4

J. AGRARIAN REFORM

Land Transfer

No. of Certificates of Land Transfer Issued	—	423	444,251	—	170.2
No. of tenant farmers	—	423	320,411	—	157.8
No. of hectares	—	682	545,228	—	159.8

Landowners' Compensation^{5/}

No. of landowners	—	94	5,156	—	77.2
No. of tenants	—	3,362	77,494	—	56.6
No. of hectares	—	6,287	149,230	—	57.2

Cooperatives Development

No. organized (Samahang Nayan)	—	—	21,089	—	—
Membership	—	—	1,019,212	—	—

K. ENERGY: PRIMARY CONSUMPTION BY SOURCE (million barrels of oil equivalent)	1965				1972		1979		1965-72		1972-79	
TOTAL					36.5		66.3		91.9	10.5		4.8
Oil					33.9		62.1		84.0			
Imported					33.9		62.1		75.4			
Per cent of total oil consumption					100.0		100.0		89.8			
Domestic					—		—		8.6			
Per cent of total oil consumption					—		—		10.2			
Hydro					2.3		4.0		5.8			
Geothermal					—		—		1.3			
Others					—		—		0.01			

L. POPULATION AND POPULATION CHARACTERISTICS

Total Population (millions)	31.8	38.9	46.6	2.9	2.6
Crude Birth Rate (per 1,000)	25.0	24.9	31.8	(0.1)	
Crude Death Rate (per 1,000)	7.4	7.3	8.4	(0.2)	2.0

M. INCOME DISTRIBUTION

Percentage Distribution of Total Family Income By Income Class

	(1965)	(1971)	(1975)
P 2,999 and below	40.9	24.3	11.2
P 3,000-P 5,999	26.1	27.7	29.2
P 6,000-P14,999		32.0	34.0
P15,000-P29,999	33.0	11.0	12.8
P30,000 and over		5.0	12.8

Percentage Distribution of Families

By Income Class

	1965	1972	1979	1965-72	1972-79
P 2,999 and below	77.0	59.0	32.3		
P 3,000-P 5,999	16.3	25.0	40.1		
P 6,000-P14,999		13.7	22.7		
P15,000-P29,999	6.6	2.0	3.8		
P30,000 and over		0.3	1.1		
Average Family Income (In Pesos)				(1965-71)	(1971-75)
Philippines	2,541	3,736	5,840	6.6	11.8
Urban	4,405	5,867	8,329	4.9	9.2
Rural	1,755	2,818	4,745	8.2	13.9
N. WAGES					
Effective Minimum Wage					
Agricultural Plantation	P3.508	4.75	P17.76-19.15	—	207-220
Nonplantation		P4.75	P13.51-14.90	—	16.1-17.7
Nonagriculture in Metro Manila	P6.00 ^s /	8.00	21.80-23-19 (26.38 ⁹ /)		15.4-16.4
Outside Metro Manila		8.00	20.72-22-11	—	14.6-15.6
O. LABOR WELFARE					
S. S. Coverage (million persons)	1.4	3.2	8.4	12.5	14.8
Medicare beneficiaries (thousand persons)	—	5.5	1,209 (1978)	—	55.3
P. NUTRITION					
Per capita calorie intake					
(as per cent of requirement)	83.6	84.0 (1976-77)	88.8	—	—
Per capita protein intake					
(as per cent of requirement)	94.5	95.1 (1975-77)	102.9	—	—
Nutritional Status of Pre-Schoolers					
(moderately & severely malnourished, per cent of total number of children weighed)	—	30.4 (197)	30.5	—	—

	1965	1972	1979	1965-72	1972-79
Q. HEALTH					
Life expectancy (years)	53.4 (1960)	59.0	63.2	—	—
Infant Mortality (per 1000 live births)	80.0 (1968)	78.0	70.0	—	—
Physician per population		1:3,061 (1973)	1:2,793 (1977)	—	—
Hospital bed per population	1,785	1:810	1:558 1978)	—	—
R. HOUSING					
Housing Allocation of National Government					
Expenditures ¹⁰ (million pesos)		92.0 (1976)	1,347		
Housing Investments in Real Terms		1.5 (1971)	2.5 (1976)		10.8 (1971-76)
No. of Housing Units Constructed BLISS ¹¹ /					
S. EDUCATION					
Adult Literacy Rate Population					
(Ten yrs. old and over per cent)	72.0 (1960)	83.4 (1970)	88.4	—	—
Total enrolment	7,515	9,605	12,148	3.6	3.4
School Bldgs. constructed, cumulative	3,983		22,141	—	—

⁵/ Started only in 1974

⁶/ Started only in 1973

⁷/ Started only in 1979

⁸/ New minimum wage

⁹/ As of February 1986

¹⁰/Includes expenditures for community development

¹¹/ Started only in 1979

Table 10

**STATUS OF OVERSEAS RURAL ELECTRIC COOPERATIVES
AND SYSTEMS ASSISTED BY NATIONAL RURAL ELECTRIC
COOPERATIVE ASSOCIATION**

Country	No. R.E. Cooperatives and Systems	No. Meters Served 1/1/69	No. Meters Served 3/1/80	No. Consumers 3/1/80
N. E. Brazil	12	2,600	13,000	84,500
Chile	15 locations	6,462	22,000	143,000
Colombia	1	4,200	10,000	65,000
Costa Rica	4	7,000	24,000	156,000
Bolivia	5		70,000	455,000
Ecuador	1	2,400	9,000	58,500
Nicaragua	5	900	42,000	273,000
Peru	1	1,400	13,000	84,500
Venezuela	1		2,000	13,000
PHILIPPINES	120		1,225,000	7,962,500
India	13		150,000	975,000
Vietnam	1	1,048	27,000	175,500
Bangladesh	15		500	3,250
Indonesia	10		2,000	13,000
TOTAL	206	26,010	1,609,500	10,461,750

paid off 4,544 landowners more than \$120 million. Landowners' compensation through land reform will be complete by 1987. It should be noted that we have initiated the land reform program without any coercion or bloodshed, despite the fact that this had been the communist cause for the past 60 years.

As a result, the Philippines has become self-sufficient in rice with a production reaching 7.8 million metric tons (MMT) and export shipments of some 230 thousand metric tons as of the end of last year. This is in contrast to the pre-1972 period when the country was a traditional importer of rice. We should achieve self-sufficiency in corn and feedgrain this year and with prospects of exporting corn by the end of this year. Before 1972, we were never sufficient in these commodities either. We have likewise irrigated 380,000 hectares of land while before 1972, irrigation facilities were practically nonexistent.

Agriculture and natural resources research is an integral part of our efforts at maximizing agricultural productivity.

Conservation and management of natural resources include the reforestation of 68,200 hectares, something unheard of seven years ago. By this year, 84,500 hectares of denuded watersheds will be rehabilitated to improve water-yielding capacity and safeguard hydroelectric and irrigation projects; in the 1960's, the total was a mere 10,000 hectares.

Industrial Development Strategy

With the success of the food production program, and with the steady progress being made in the energy field, we decided to turn our attention to industrial development during the decade of the 80's. Sure enough, industrial growth averaged an annual rate of 8.3% during the latter part of the 70's as compared to 6.4% in 1967 to 1972. But we believe that we can do even better during the 80's.

Toward the end of 1979, we announced an acceleration of our industrialization program, characterized by a dynamic, more

aggressive development policy. We feel that industrial development had not performed as well as the other sectors of the economy and it was a time for the "shifting of gears" in industry. Industrial policies for the 1980's will, therefore, be marked by the following principal features:

- 1) The accelerated implementation of major industrial projects.
- 2) An organized export promotion effort.
- 3) The rationalization of industry.
- 4) The continued encouragement of foreign investments.

With this new development strategy, we are determined to carve out our rightful place in the industrialized world. Many of our neighbors with far less natural resources than the Philippines have marched steadily forward in industrial development. There is no reason why we cannot keep pace with them.

Infrastructure And Utilities

Before the crisis government, 21,734 kms. of roads were constructed since national independence in 1946. In the seven years of the New Society, about 31,596 kms. of roads have been built. Telephone density increased from 0.81 percent per 100 population in 1971 to 1.3 percent in 1978. Thirty-three rural telephone exchanges, 32 telegraph telex stations, 795 telegraph stations and 424 radio stations were installed in the same period. Organized were 29 regional postal centers and 336 new post offices.

We are now improving the water supply and the sewerage systems by constructing 110 independent and locally controlled water districts, each serving a population of 20,000 people or more. We are easing the water problem in Metropolitan Manila with the construction of a 20-kilometer pipeline at a cost of around \$30 million.

To achieve all these and related projects, separate ministries for public works and transportation and communications were created.

Energy Development And Electrification

Of unimaginable impact in the life of the simple Filipino is the program for energy-resource development, power and electrification, which truly signalled a new decade in the Seventies.

National electrification expansion, which, again, was nonexistent before the period under review, provided connections to a million and a half houses in 1979. A total of 113 electric cooperatives were organized in the two main islands of the Philippines outside of Luzon. Both the United States and the developing countries have adopted the Philippines as model for electrification because of its performance on this field (See Table 10). Hydroelectric power is still the largest contributor of indigenous energy resources in the Philippines today.

Our oil explorations have paid off as of last year with a gross foreign exchange savings of \$186 million.

We are well on our way with a coal development program and uranium development program. Much store is set by us, in particular, on coal, to which we are converting our cement plants and other facilities utilizing electric power to reduce our dependence on imported oil.

Our nonconventional energy program includes the setting up of alcogas, biogas, small hydro— and dendrothermal power plants. These forms will be available to the rural areas of the Philippines.

As a further step in our efforts towards self-sufficiency in energy, we have evolved a 10-year geothermal development program. This includes the installation of big geothermoelectric plants of 50 to 100 megawatts (MW) capacity in Luzon and Mindanao; and smaller units (1 to 10 MW) in areas where the

power demand is limited at present. Twenty-five thermal areas of possible geothermal significance have been identified.

Human Settlements

By far, our most wide-ranging ministry is the Ministry of Human Settlements, which aims at delivering to our people the 11 basic needs, from education to housing and to leisure. Central to such an aim is the health and nutrition of 48 million Filipinos.

Life expectancy has increased from 58 years in 1970 to 61.6 years in 1979. This is due to the penetration of health services in the remotest barrios of the Philippines, where before these services were all but confined in the cities and principalities. Medicare has reduced the financial burden for hospitalization of 5.7 million Filipinos.

Literacy

A principal gauge to real development is the literacy of the people: our present literacy rate is nearly 90 percent as against 83.4 percent in 1970. Free elementary education has been extended to nearly 3 million schoolchildren as compared to 6 million in 1970. The democratization of education, often a privilege of the rich, was achieved through the distribution of more than 2000 barangay schools—the barangay is our smallest political unit—and 39 community colleges have been established since 1972. We also expanded the scholarship programs so that now 1,560 students and 6,100 members of cultural minorities are enjoying scholarship grants. The Study Now, Pay Later plan has assisted some 10,000 students.

Both the World Bank and the Asian Development Bank have given considerable assistance to high-level professions

The Compassionate Society

Disadvantaged groups, the disabled and the handicapped, the pre-school children, especially of indigent families, have not been neglected by what is also called the "compassionate society."

The coverage of financial assistance for income-generating projects was 181,000 individuals in 1979, from a level of 26,000 in the early '70s. By this year 267,000 more individuals will be covered by the program.

Practical skills training and job placements for needy family heads and out-of-school youth increased to 252,000 in 1979 from 16,000 in 1970. For the '80s, 500,000 more individuals will be benefitted.

For the UN Decade of the Child, expanded social service coverage reached 2 million individuals in 1979 with 3 million more to be covered in 1980.

Nutrition Program

One of the earliest decrees I issued after the promulgation of martial law was PD 491, the Nutrition Act of the Philippines, which declares nutrition to be a priority program and calls for an intensive nationwide effort to eradicate the social and economic blight of malnutrition and undernourishment. Since then three other Decrees have been issued to strengthen the machinery and perfect the procedures for implementing the nutrition program.

One of the dramatic results of this program has been the choice of the Philippines as a U.N. model for nutrition services.

There are today 160 "nutriwards" in hospitals around the country and 235 "nutrihuts" (rural nutriwards) to serve the needs of the population. Nutrition committees exist in 100% of all regions, provinces and cities; 93% in municipalities, and 74% in the barangays. A vigorous nutrition information, education and communication program is being carried out. A total of 3,731 Barangay Nutrition Scholars have been trained to supervise and disseminate adequate nutrition methods.

Fiscal Standing

All these were made possible, primarily, by the increase in public spending out of GNP from an average of 9.7 percent in

the past to 14.4 percent for our period, which is only expected of a government in a developing country—as government is held responsible for the welfare of all.

For this reason, outstanding borrowings reached \$9.6 billion in 1979 as compared to around \$600 million in 1965 and \$2 billion in 1972. Critics pretend to be alarmed by this, which is, actually, evidence of the country's credit-worthiness.

As of December 1979, international credit reserves stood at \$6,455 million compared to \$188 million in 1965 and \$282 million in 1972.

At the December, 1979 meeting of the IBRD Consultative Group of the Philippines, owing to our commendable record of fiscal management despite the oil crisis, it was found reasonable that the Philippine government be given commitments of \$1 billion in 1980 so as to maintain the creditable growth of its economy. It was no coincidence that the Philippine minister of Finance, Mr. Cesar Virata, was named one of the five most effective ministers of the world in a recent survey of the reputable magazine, *Institutional Investor*.

Real gross investments increased at an average annual rate of 11 percent during the last seven years over an average annual rate of 4.8 percent previously.

Tourist receipts, which were insignificant before the last seven years, reached \$187 million in 1979.

We expect these trends to continue in the next ten years, for we are continuing the system of single economic planning as provided for in the new Constitution. Rationality has thus, through the National Economic and Development Authority, been introduced into our economic planning.

Behind these figures is the drama of confidence and expectation: a commitment to discipline and hard work. It is not fair, therefore, to the heroic average Filipino to have his efforts

ignored, if not derided, by suggestions from supposed concerned observers that he is being suppressed and deluded by a society that he supports with his will and work.

But I am afraid no one has come across these facts in the western media, when the very transport which takes foreign newspapermen from hotel to coffee shop could as well have taken them to Manila, to the environs and the provinces, where with open eyes and alert ears, they will find more truths than they could from biased sources.

Misconceptions and Distortions

I have stated elsewhere that while America seems to understand the nationalism of Third World countries, it does not appear that it understands our need to move towards authoritarianism. This statement has to be qualified, for one is related to the other. Filipino nationalism, for example, was distorted in American media even before I became President. No presidential candidate dared before my time to run on a nationalist platform and expect to win. President Magsaysay had to speak of "positive" nationalism, whatever that meant, and, of course, the late Senator Claro M. Recto ran for President with the foreknowledge of losing: he took the occasion to propagate his nationalist principles. Thus when I proclaimed martial law seven years ago, nationalist critics observed that, for the first time, the President of the Philippines acted as the Commander-in-Chief of the Armed Forces, and in consequence, claimed the country's sovereignty.

Criticism from the American media was, therefore, inevitable. But I hold no brief against press criticism: I welcome it. When this is based on facts, I can only point out to differences of interpretation and opinion. But the thrust of American media when it comes to reporting and commenting on Third World countries is not so much criticism, it seems to me, as downright agitation and propaganda, as I shall presently show.

I shall begin by quoting in full a letter from the President of the American Chamber of Commerce in the Philippines, Mr. George Suter, who objected very strongly to a certain article in an American newsmagazine last year.

October 3, 1979

Mr. Ross H. Munro
Economic Correspondent for Asia/Pacific
Time Magazine
205 Prince's Building
Hong Kong

Dear Ross:

It was with much dismay that I, as well as all of the directors of our Chamber, read the TIME cover story on the Philippines in the September 24, 1979 issue.

When we met for over an hour on the morning of August 1, 1979 in my office, you presented yourself as the economic correspondent of TIME magazine for the Asia/Pacific area doing a story on the Philippine economy. I filled you in to the best of my ability on the experiences of our member firms over the past decade, including the business environment of both the pre- and post-martial law periods.

There is some doubt in my mind that you authored the complete cover story in your September 24th issue because it focuses far more on the political issues perceived by your magazine as distinguished from prevailing economic conditions. However, inasmuch as my contact was with you, I am taking this opportunity to express the serious concern of our Chamber regarding the obvious distortions, biases and downright inaccurate reporting which appeared in the article and accompanying photographs.

The article makes practically no mention of the economic and social progress of the last seven years. It stressed only the problem areas. It is terribly one-sided and non-

objective, thereby projecting a completely negative and erroneous picture of conditions in the Philippines today.

Some of the statements and comments appearing in the article, which we feel are totally inaccurate, either intentionally on the part of TIME or due to lack of knowledge of the country, culture and social structure, are as follows:

1. Many of us in the American business community in the Philippines have personnel stationed in all areas of the country from the northernmost regions to the islands south of Mindanao. We seriously question your reference that "anger and rebellion are rising in the Philippines," and that there is "a dangerously deteriorating society." How you can make a statement that "poverty and hunger affect most of the Philippines' 46.5 million people" is difficult for us to understand. Our members have employees in practically every economic bracket, and while the quality of life at some levels can definitely stand improvement, as is the case in many areas of the United States, there is no basis for placing most of the population at the "poverty and hunger" level.

2. While malnutrition has been a problem in the Philippines for many decades, we can find no basis for your statement that "for millions, their country's poverty means hunger and starvation." Food is readily available, particularly in provincial areas, but its nutritional value in many instances leaves much to be desired. This problem is being given top priority attention by the government, which was sadly lacking in the pre-1972 period. The article makes no mention of one of the most serious problems facing the country today, i.e., the very high birth rate of 2.8 per cent which has come down from 3.2 per cent, due to the government's popula-

tion control program traditionally opposed by the Catholic church.

3. We cannot imagine that any member of a Catholic religious order in her right mind would make the kind of statement appearing in paragraph 3 of the article. Some of the clergy may oppose the President, but the attribution mentioned seems like the words of a psychotic.

4. The picture of the Tondo district carries the caption "aerial view of Manila showing Tondo district (foreground) and cathedral beyond." Under the caption, you included a recent quotation by Cardinal Sin to the effect that "the greatest punishment that God could give any country is civil war." While the picture is definitely of the Tondo district, the cathedral is not a Catholic church. It is one of several churches in the Metro Manila area and others spread throughout the country in key cities, of the "Iglesia ni Kristo" (Church of Christ), a small Protestant sect founded in the Philippines in 1914. Its membership is relatively small, but mostly middle income families who contribute a fair percentage of their earnings to the church, not unlike the practice of Mormons in the United States. The architecture of their churches is spectacular and stands out in every area of the country where they have been established. Most of them are airconditioned, a luxury not found in any Catholic church that I know of in the Philippines. By your picture and caption, you seem to imply that the seat of Catholicism in the Manila area is located in the heart of the Tondo district. You are absolutely incorrect in such an assumption.

5. During the six months I spent in the Philippines in late 1957 as a management trainee, and my subsequent residence here in an executive capacity since Feb-

ruary 1966, I have personally witnessed many funerals of infants during my travels in provincial areas. I have never seen one such as that appearing in color in your article. Examining the picture closely, you will find adults very close to the coffin. All of the mourners are well dressed in bright colored apparel, and there are even some flowers being held up in the background. Black is the traditional color in the Philippines at all funerals regardless of the age of the deceased. If not black, another somber color is chosen, and under no circumstances would a mourner be dressed in a red shirt. Tradition has it that the father of the deceased, or a close male adult relative, would carry the coffin of the infant. We can only seriously question this picture, and wonder if it was not stage-managed specifically to support the kind of allegations appearing in the article.

I must also add that I do not understand the quotation attributed to me. Our discussion was confined to the experience of the American business community in the Philippines. While it is correct to state that I expressed admiration for Filipino businessmen and government technocrats, I do not follow the comment attributed to me that "they have to pay off." Who does the "they" refer to? Obviously, not the government technocrats. I cannot imagine the reference to Filipino businessmen because their situation was not covered during our discussion.

As mentioned to you, the American business community has not been involved with the so-called endemic corruption you perceive to exist today. This might be considered one of the beneficial side effects of the Foreign Corrupt Practices Act of the United States, but on the other hand, our situation extends beyond the date this law came into effect.

Our Chamber believes that the above are good examples of why the article had done a great disservice and injustice

to the Philippines, and to American journalism. It is hardly reflective of the true conditions prevailing in the Philippines today. We realize that the article is the kind that will sell your magazine because, as we have been frequently reminded by your colleagues in the profession, "good news does not sell magazines." We get a distinct impression that the media, after the upheavals which occurred this year in Iran and Nicaragua, are looking around for a next likely crisis area. In your effort, you seem to be grossly overdrawing a situation which does not exist today at all as you depict. While businessmen and bankers, public and private, are aware of certain problems, and recognize the need for decisive action on the part of the government, it is our opinion that the necessary steps are being taken, and believe that the outlook for an improvement in the economy is definitely positive.

You may rest assured that our Chamber will continue to speak out on the issues affecting the American business presence in the Philippines, which will include a frank and honest assessment of the overall economic, political and social environment in which we operate. At this time, we are of the opinion that this environment has shown vast improvement since 1972, and that the prognosis for further improvement is good, which is clearly in strong contrast to the doubtful view of your editors who labelled the Philippines as the "powder keg of the Pacific."

Very truly yours,

The American Chamber of Commerce
of the Philippines, Inc.

(Sgd.) GEORGE SUTER
President.

COMPARATIVE STATISTICS OF METRO MANILA
IN RELATION OF SOME MAJOR CITIES OF THE USA
FOR CALENDAR YEAR 1978

	Population	Police Strength	Police Population Ratio	Mo. Index Crime Rate per 100,000 Population	Dif. in Index Crime Rate compared to MMA
NEW YORK	9,300,743	24,408	1:381	590.8	(+)2403.4%
LOS ANGELES	7,107,342	6,979	1:1018	611.8	(+)2492.4%
WASHINGTON	3,035,867	4,078	1:744	498.5	(+)2012.3%
CHICAGO	7,023,831	13,020	1:539	463.0	(+)1861.9%
DETROIT	4,407,179	5,688	1:775	525.6	(+)2127.1%
SAN FRANCISCO	3,181,571	1,658	1:1919	670.6	(+)2741.5%
HONOLULU	725,259	1,472	1:493	596.2	(+)2426.3%
METRO MANILA	7,514,500*	9,227	1:814	23.6	

NOTE: US Crime data from FBI Uniform Crime Report:
Crime in the United States 1978 * Population based on MMC data.

COMPARATIVE CRIME STATISTICS FOR METROPOLITAN MANILA 1971-1979

Year	A. Average Monthly Index Crime Vol.	Percentage Change Compared to 1971	B. Average Monthly Crime Rate Per 100,000 Population	% Change compared to 1971	% Share of Nationwide Crimes	% Change Compared to 1971
** 1979	1,524	(—) 44.1%	19.7	(—) 70.2%	25.9%	(—) 40.1%
** 1978	1,770	(—) 35.0%	33.6	(—) 64.2%	38.0%	(—) 28 %
** 1977	1,898	(—) 30.3%	26.2	(—) 60.3%	40.4%	(—) 25.6%
* 1976	2,019	(—) 25.9%	28.7	(—) 56.5%	54.0%	(—) 12 %
* 1975	2,595	(—) 4.6%	52.5	(—) 20.4%	69.2%	(+) 3.2%
* 1974	3,588	(+) 31.7%	75.8	(+) 14.8%	88.4%	(+) 22.4%
* 1973	3,037	(+) 11.5%	67.0	(+) 1.5%	82.08%	(+) 16.0%
* 1972	2,875	(+) 5.5%	66.0	(+) 0.3%	74.5%	(+) 8.5%
* 1971	2,724		66.0		66.0%	

* 1971-1975—Population based on National Census & Statistics Office (Medium Assumption)
 ** 1976-1979—Population based on Barangay Census

A few years back, the Asian Development Bank, by some mishap, produced a study stating that the Filipino people had a lower caloric intake than the people of Bangladesh. Now this was just simply ridiculous and the ADB, immediately realizing its error, corrected the statement. This correction was never reported in the American media, so that to this day, erroneous statistics are still being used to downgrade the Philippines.

As a matter of fact, one of the favorite self-criticisms of Filipinos is that we can develop much further if "anyone died of hunger in the Philippines." But to go by the American media, there is death by hunger every day in the Philippines.

Various other misconceptions are dealt with by Foreign Minister Carlos P. Romulo (See Appendix XIV).

Apart from distortion, there is also insult.

One other misconception of Western media, for instance, is that the Philippine government is supported by U.S. military and economic aid. Let us look at the facts.

The current levels of United States Economic Assistance are in the order of \$70 million to \$75 million on the average per year. In the last three years US assistance, divided between grants and loans, was as follows (in US\$ millions):

	1978	1979	Proposed	1980
Grants	28.72	32.76		34.53
Loans	55.55	45.60		31.56
Total	84.27	78.36		66.09

The 1980 figures does not include US\$20 million which represents what is known as the security support assistance. This item is linked to the military bases agreement, as part of a package of payments for the use of the Philippine military bases.

US development assistance is applied to basic development priorities of the Philippine government which are further related to certain areas of assistance indicated in the US Foreign Assistance Act. Such assistance is used mainly for rural development, family planning, nutrition and health.

As a further background, US development assistance began formally after 1950, when an Economic and Technical Cooperation Agreement was signed (Quirino-Foster Agreement). Unfortunately, the early statistics of US assistance are cluttered by the lumping together of US obligations and compensation for goods and services like War Damage Payments, USAFFE and guerilla pay and allowances, payments for requisitioned goods and services during World War II and veterans pensions and benefits.

Grants, on the other hand, are applied to technical services, training of Philippine trainees and equipment for approved projects. The substantial part of these grant technical services, however, is represented by the salaries and allowances of the staff of the U.S. AID Mission to the Philippines.

To be truthful, these should be excluded. Neither is military assistance to be included.

The level of US economic assistance to the Philippines over the 30-year period is therefore really very mild, compared to assistance to other countries, for instance to Korea or Taiwan. It is an exaggeration to say that the Philippine government is supported by U.S. aid, military or otherwise.

Of course, the assistance is of some benefit to our people, but it is hardly the kind that will spell any difference between survival and starvation. To be quite candid, we can very well dispense with this assistance if it is a choice between interference and noninterference in our affairs; including media interference, for it is no longer a secret that some American journalists are being employed for nonjournalistic purposes, and that the majority of them are assigned to countries in the Third World. In the Philippines where there is a grand tradition of press freedom, we find that this freedom has been abused and is still being abused by American media people.

And what is this practice of quoting unknown diplomats and unidentified leaders in business and society? American

journalists in the Philippines have elevated coffee shops and barber shops into news centers and founts of instant wisdom.

Finally, we come to the issue of human rights, over which so much newsprint has been wasted with reference to the Philippines. I say, "wasted" advisedly, just taking the economic point of view, and not the propaganda intent, for it is apparently paying off for the propagandists.

Quite facilely, it is reported that there are 150,000 detainees in the country. In the first place, we do not have that kind of space in any place in the Philippines—nor even spaces. In the second place, at the time martial law was proclaimed, 60,000 unserved warrants of arrest were enforced. Everyone in the Philippines knows—most of all, the old society politicians who now style themselves as patriots—that before martial law was proclaimed, the most dangerous criminals, convicted or otherwise, roamed the streets virtually with impunity. There were a few hundreds who were arrested on suspicion of subversion; when subsequently, no charges were filed against them, they were set free. It must be emphasized here that although the suspension of the privilege of habeas corpus continues, my Government has always respected the privilege. The most vociferous opposition politicians are themselves the beneficiaries of the privilege of habeas corpus.

The record is certainly better than Philadelphia's, Chicago's, or New York's.

In the scale of a so-called Political Freedom Index, the Philippines was given 28 points by an American academic institution, higher than any socialist country. (See Appendices) Is it for this reason that we also get the most humiliating, distorted attacks from the American media?

Do not mistake my meaning: I question the very legitimacy of a political freedom index; I only want to make a specific point: whether it is the American practice to be insulting to their friends because they happen to be weak, and to speak respectfully, even reverentially, of enemies because they happen

to be strong. American tradition, as I know it, puts down the bully. But we in the Third World, especially those who count ourselves as America's allies, have the impression that America is the bully.

American media, I must say, are more guarded in their reporting of closed societies than of open ones, like ours.

The quality of Western journalism as exemplified by some members of the American media brings to mind the recurring charge from these purveyors of news and information that there is no press freedom in the Philippines under martial law. Must we judge the freedom of Philippine media of communication by the liberties which the media in America take with respect to the affairs of other countries? How free is a free press?

The Philippine government under martial law has scrupulously kept away, except for a brief period of six months, from regulating the media, whether Filipino or foreign. On November 2, 1972, I created a Mass Media Council, headed by the then Secretary of Public information, whose only function was to pass upon the applications of publications and radio and television stations to operate. This Council was abolished by me on May 11, 1973, and in its stead I directed the creation of a Media Advisory Council, with the president of the National Press Club as chairman, and with other private citizens as members. This marked the end of government involvement in the business of the media and the beginning of what I have since consistently advocated as the only proper means of managing the profession of journalism—self-regulation by the media themselves. This concept was further fortified by a Decree issued on November 9, 1974 abolishing the Media Advisory Council and authorizing the organization, in its place, of respective regulatory councils by the print and broadcast media. Cognizant of the standard and universal desire that the media conduct themselves with objectivity, decorum and a lofty sense of mission, I asked the print and broadcast media in that last decree to

form their own regulatory bodies which "shall be responsible for the elevation of the ethics and the standards of excellence of mass media." These regulatory bodies were accordingly expected to "fix standards and promulgate rules and regulations for the operation and discipline" of the mass media in their respective areas.

So fastidiously has the government maintained and protected the freedom implicit in the policy I have described that from time to time the media have felt "free" to publish or broadcast inaccurate information and direct severe assaults upon the programs and the conduct of government. The government, while not impotent against such occasional attempts by the media to undermine or misrepresent it, has chosen to leave the media alone and hope meanwhile that such willful and biased members of the media as there are, will in time be visited by that sense of discipline and responsibility that I have always believed was one of the virtues of the journalist. To be sure, the government has had to take recourse to a measure of self-defense in the cases of two American correspondents, Arnold Zeitlin and Bernard Wideman. This measure consisted simply of not permitting their return to the Philippines after a spate of irresponsible writing. Anyone familiar with their reporting on the Philippine government and on Filipino individuals will readily see that our action with respect to these two reporters cannot possibly be interpreted as tyrannical acts.

Still another misconception that some sectors of the media have rather blithely circulated concerns the ownership of the Manila Electric Company (Meralco) and the circumstances that led to its present situation. Rather than reply to the fabrication that this firm was delivered into the hands of certain favored individuals by the martial law regime, employing sleight-of-hand, I reproduce in Appendix XV the letter of Mr. Eugenio Lopez, the patriarch of the family which owned the corporation, offering to sell it and detailing the terms of the sale. The letter is dated September 17, 1973.

Another Lopez company, the radio-TV network known as ABS-CBN, has been the object of uncanny speculation by the media. A little more effort than has been exerted to determine the truth about this firm would have yielded the following facts:

1. The ABS-CBN entered into a contract of lease with the Radio Philippines Network (RPN), owned by Mr. Roberto Benedicto, the agreement for this purpose having been confirmed by both parties in a letter dated June 8, 1973 by Mr. Alfredo Montelibano.

2. Meantime, however, the government has a legitimate claim against ABS-CBN in the form of customs duties and taxes that were not paid on importations of the firm because of alleged misrepresentations. Unless the firm pays the amounts claimed by the government, its equipment and other facilities are subject to forfeiture.

3. The forfeiture cases involving the importations were heard over a period of three years, and a decision has been rendered by six collectors of customs ordering the release of the equipment upon full payment of the taxes and duties amounting to ₱35 million. The firm has appealed the decision to the commissioner of customs.

4. A government agency, the National Media Production Center, has meanwhile begun to use some of the ABS-CBN facilities with the prior consent of the lessee, the RPN, which has the legal right of possession of said facilities by virtue of its contract with the ABS-CBN. Negotiations for the amount of the rental to be paid by the NMPC are underway; once the rental amount is fixed, the government will pay the amount agreed upon.

These are the real circumstances of the ABS-CBN experience under the present government, and it would enhance the cause of good journalism if the Western media endeavored from here on to reject rumors and half-truths in favor of hard facts.

Reports on the Philippines are also peppered with claims and solemn suppositions that there have been thousands of illegal arrests and that prisoners in military custody are tortured no end. The records on these matters are open to scrutiny; they yield information which points to the lack of serious endeavor on the part of some reporters to find the truth.

With respect to alleged tortures, for instance, there are at most 101 cases which may possibly, if at all, qualify. It must be said, however, that careful and exhaustive investigation was conducted in each case. In those cases where evidence of any degree of maltreatment was found, the guilty soldiers or officers were immediately punished.

Allegations that certain prisoners have been killed by the military have also been inaccurate. The deaths of two such persons were found to have been caused by disease or by self-inflicted acts. One other prisoner was killed by members of the New People's Army, the communist military arm. A fourth committed suicide while she was confined for treatment.

Contrary to Western media reports, there have been no illegal arrests. It is possible the reports were based on complaints of relatives of 33 persons who alleged that they were missing and who accused the military of having illegally arrested them. In all these cases, there are no records of arrests by the military.

It must be stressed, too, that Philippine law prohibits and penalizes any arrest without warrant, except in the so-called "citizen arrest," in which anyone may arrest a person in the act of committing a crime.

The laws on arrests and subversion have not changed even under martial law. With respect to subversion, the Philippines hardly differs from any country in the earnestness with which the government, as a matter of public duty, seeks to defend itself against any attempt by groups or individuals to overthrow it by

force, violence, deceit or other illegal means. I cannot see how anyone could possibly classify public policy against subversion as anything but a legitimate act of government, in the Philippines or anywhere else, including the United States.

One of the things that critics of our martial law regime fail to see is that I did not pre-empt the Constitution by declaring martial law. Somewhere else in this essay is a more extended account of how and why, and with what legal support, martial law was proclaimed in the Philippines. The upshot of such an account is that, rather than having pre-empted the Constitution, I obeyed the constitutional mandate which provides the incumbent President and the existing government the opportunity and the means to confront rebellion or anarchy.

Martial law being a constitutional measure, it is therefore mandatory on the President that the administration of martial law be equally respectful to constitutional processes. The military personnel are therefore under constant watch by the President himself. No one is more concerned than I am that the military under martial law conduct themselves in accordance with the highest standards of the public service.

For this reason, complaints against the military are investigated with extraordinary dispatch and punishment meted out quickly where that is warranted. Accordingly, between September 21, 1972 and December 31, 1979, the military authorities in compliance with my policy have dismissed 254 officers and 4,130 enlisted personnel. Not a few others have been sentenced to serve prison terms.

Anyone who has read or heard Western media stories on the Philippines repeatedly cannot but sense that their authors are not so much reporting as wishing dire things upon this country and its government. More than once, for instance, the Philippines has been portrayed as a "powder keg," a place full of darkness and danger because "civil war" was supposed to

break out momentarily. Yet the recent surrender of 30,000 rebels in Mindanao, an event that unquestionably confirms the increasing climate of peace and reconciliation, has been conveniently kept out of newspaper pages abroad. The same event was preceded by the surrender of 7000 firearms by members of the Moscow-oriented Politburo of the Communist Party of the Philippines. Leading members of the so-called "Light-a-Fire Movement," which is engaged in organized and systematic arson to create panic and chaos, have been arrested and are now facing prosecution after confessing to violent acts of subversion with the support of Steve Psinakis, a brother-in-law of Eugenio Lopez, Jr.

I should add that when I conferred with His Eminence, Jaime Cardinal Sin, after he had been quoted by the Western media as having said that the Philippines was on the brink of civil war, he quickly disowned the statement.

Reporters of a certain persuasion have scarcely been able to hide the gloating quality of their accounts of the collapse, accomplished or impending, of the Philippine economy. Yet progress, quiet and steady, is there for anyone to see. Elsewhere in this essay I submit economic and social indicators, measures of constant and substantial national growth notwithstanding difficult conditions created by economic crises and political emergencies around the globe.

Sometimes the distortions in reports about the Philippines result in positively amusing situations. The Philippine government, for instance, has committed more than 100,000 troops to the campaign against insurgents, besides 50,000 policemen. The number of casualties in the armed forces has reached nearly 5,000. Isn't it a wonder, if the torture of government foes is a habit or policy, that only four cases of alleged torture have been reported? Without doubt, there must be considerably more such cases in any of the American cities of New York, Philadelphia or Chicago.

To stress the supposedly vicious and brutal quality of the martial law regime in the Philippines, some media reports have with admirable self-confidence referred to me as a dictator. The charge ignores the fact that I have at all times respected the law and legal processes, including those, as I have already pointed out, on arrest and detention. In contrast, during the American Civil War, President Lincoln ordered the arrest of a number of persons he believed to be engaged in rebellion against the Federal government. The U.S. Supreme Court ordered their release. Lincoln refused to comply. The world, of course, is familiar with the encomiums his fellow Americans heap upon the memory of this courageous champion of freedom and democracy.

It may also be useful to recall that in all the seven years of martial law, only one man, Lim Seng, has been executed—and only because his crime, supplying heroin, needed an exemplary act of public justice to thwart further violence upon the future of Filipino youth.

Foreign Relations

I must refer to what may be assessed as inexplicable and muddled policies of Western governments towards their allies. In one instance or another, they have failed to assist Third World allies in quelling Marxist-inspired insurgencies. In Africa, the Middle East, Latin America and Asia, the noncommunist Western countries have failed or neglected, either by design or apathy, to extend assistance to established friendly governments when it was most needed, leading to victory of Communist forces.

It happened in Kampuchea. The divisions in that country and the crises in leadership, first, with Prince Sihanouk and then with Lon Nol, were allowed to grow to such an extent that not one single leadership has been able to hold the country together and cooperation among different factions has thus not

been possible. This internal decay led the country to becoming easy prey to external aggression.

In the Western hemisphere, at the backdoor of the United States, a similar pattern of disturbing consequences can be discerned, especially in Nicaragua and El Salvador, where the leadership has not been able to meet the threats from the right and left and where therefore a state of near anarchy prevails.

The continent of Africa has also been the scene of the indecisiveness of Western governments to extend material assistance to its allies. One has only to recall the experience of Somalia, Angola and Ethiopia.

In Southeast and Southwest Asia today noncommunist governments need assistance from their allies. These countries face grave problems in the economic and security fields and the dangers come from both internal subversion and the threat of external aggression.

The Political Transformation

Our brazenly oligarchic political order, ruled as it was by a wealthy few and their retainers, required a radical transformation. This transformation was swiftly carried out with the organization of Citizens' Assemblies, which presently became the *Sangguniang Bayan* (Town Council), represented in turn in the *Sangguniang Panglalawigan* (Provincial Council), further represented in the *Sangguniang Pangpook* (Regional Council), and finally in the *Sangguniang Pambansa* (National Council). These councils were dominated by people who were never before in politics, having shunned it as corrupt and futile in the old society. Afterwards, the *barangays*, or village councils—our basic political unit—were organized. The radical feature of these councils is the participation of nearly all citizens: fifteen-year-old youths are represented. By these means are all the generations represented.

Despite, therefore, the authoritarian nature of the government, there is popular democratic consultation on those matters which affect our people directly. There is a radical parliamentarism, since the decisions of the *barangays* are binding not only on the local communities but also on the national government.

We have made full use of the referendum and plebiscite to the extent that even the matter of elections and the retirement age of Supreme Court justices are decided upon by the people themselves.

In 1978, we elected the interim Batasang Pambansa, the forerunner of regular Parliament. I have been accused of having a "rubber-stamp" parliament by those who do not understand the parliamentary system. As chief of party and as Prime Minister, I am naturally the leader of the party. Still, all legislative decisions are made in caucus—and not by simple dictation on the members of the majority party.

Unnoticed in the foreign press, notably the American press, quite a number of those in the ruling party—the KBL—or the New Society Movement—supported other candidates in the last elections for local officials: governors, Sangguniang members, mayors, and vice-mayors. They now constitute an opposition in parliament.

Parliamentary government is thus well on its way in the Philippines. The debates in the interim Parliament are much more distinguished than those in the old Congress of the Philippines. Passage of the Government Budget is, of course, among the powers of the interim Parliament.

The minimum voting age, it must be noted, is 18 years.

There are novel features in the present system. For example, only a simple majority—not all—of the Cabinet Ministers are elected members of the interim Parliament; the others are appointed by the Prime Minister. We felt that certain delicate positions which are highly technical, and especially in-

volving monetary and fiscal policy, should be left to the discretion of the Prime Minister rather than to the popular mandate of elections. Otherwise, we would not be able to attract the most able men and women into these positions.

It can be appreciated, therefore, that our political institutions have been designed according to our particular circumstances; they accentuate our strong points and safeguard us from our weaknesses.

The final test, of course, is whether our form of government is working as it should; it is by no means perfect; but for the first time we have a responsive and effective government.

The best administered government, as Pope once said, is best. We shall try for elegance as we evolve our political institutions; for the moment, we are content that they work.

Dilemma Of Development

It was not to boast but to clarify the human condition in the Philippines that I have summarized at some length the development seven years since the institution of what is fairly called "the crisis government." The choice was between disintegration and nationhood—and not, as shown before, between dictatorship and democracy. There had to be a strong government; the alternative was chaos, civil war, with the best organized opposition most likely to succeed.

Institutionally speaking, the crisis in my country also dramatized the dilemma of development. For many years, the problem of development was perceived as a simple choice between the Western and the communist process; but it soon became clear that both had their dangers and dilemmas. The Western process could not bring development about without widespread losses in security, social stability and political confidence; on the other hand, communism meant a high degree of regimentation, suppression and probably a long period of sacrifice of individual

freedom. It was even more dangerous, however, to adhere blindly to the Western model, for it was likely to provoke the other extreme. We were fortunate that seven years ago, although the secessionist and subversive forces were strong enough to threaten the state, our people were not yet hardened by poverty to take the ruthless road to social justice.

So constitutional authoritarianism is the third way: not a compromise between dictatorship and democracy, but the disciplined way to democracy. This is not a matter of definition, but a question of process. As there are many roads to socialism, so there should be more than one way—apart from the Western—to democracy.

The United States, too, the bastion of liberal democracy, has had its share of authoritarian rule.

As Spanier notes, American democracy began its career under the leadership of the charismatic George Washington, "the hero who symbolized the infant nation and who sought to win loyalty to the nation through loyalty to his person." Washington vigorously opposed the "baneful effects of the spirit of Party" lest it divide the country. Although he identified himself with one of the political parties—the Federalist, which was, in his opinion, composed of men of patriotism—this did not mean an acceptance of a competitive two-party system. Indeed, Washington described the opposition Republicans, or Jeffersonians, as a "band of villains who were disloyal to their country."

We live in a time when irreconcilable conflicts, whether political, economic or social, may be too complex and technical to be brought to legislative bodies for final disposition. And there are now even those in the West—economists, political scientists, statesmen—who are convinced that the "democratic capitalist system will be unable to resist the pressure of a public conditioned toward wasteful consumption. Only an authoritarian system will be able to carry forth the mass consent and to

exercise the authority necessary to introduce and implement new values, measures, and sacrifices."

It has been observed time and again that "the provision of work for everyone should now be possible even in the mixed socialist-free enterprise economy." This is a real challenge to non-communist states, since it has been demonstrated that in some socialist countries in similar stages of development, the whole labor resources can be employed to the extent that scarcity of labor is a problem in planning. Indeed, social justice and employment are preconditions of political stability in a country like the Philippines—and, for that matter, all developing societies.

Essential to our efforts is our independence, which means noninterference from great powers. I realize that, ultimately, we are responsible for our sovereignty. But will it be too much to ask of an ally to refrain from treating terrorism and subversion as if they were legitimate political opposition? For our part, we are resolved to meet our internal security problems without involving foreign troops, considering recent experience with them. But the West may be assured, in spite of the observations sensationalized by its very media, that the strong leaders of Asia and the Third World are not minotaurs about to sacrifice their people to their visions. We aim to give our own the best that could be given.

To misunderstand this fundamental fact is catastrophic not only for America but for the world.

Summing Up

In resume, the problems confronting a Third World leader may be classified into the following, not necessarily in the order of their priority:

1. *Security or Order.*—In all likelihood, the Third World leader comes to power at a time when the society is in a state

of disarray because it is confronted with an authentic rebellion or insurrection, or with subversion. He must, therefore, either by compromise, negotiation or international diplomatic arrangements, as has happened with Rhodesia or Zimbabwe, work out a form of government acceptable to most, including those engaged in violent rebellion.

When, however, the duly established or legitimate government is attacked by a force that aims at its overthrow and takeover through force or violence (which, under domestic law, usually comes under the classification of subversion when it is supported by a foreign power, or simple rebellion and allied crimes like insurrection and sedition when not supported by a foreign power), then the new leader's principal concern is to make sure that his government can enforce the law—that is to say, an effective government. Usually he ends up with an authoritarian government, in the sense that he must be compelled to proclaim martial law because the extent of disorder and violence has rendered the ordinary militia or police powerless to enforce the civil law.

The term "Martial Law" evokes the sense understood in continental Europe, that the military in one fell swoop seizes power and takes over the entire civil government—the executive, the legislative, as well as the judiciary.

This is not, however, the case in American constitutional law, to which Philippine Constitutional Law is indebted, because our fundamental laws and constitutional terms were adopted from it and from American jurisprudence. Martial Law as defined under American constitutional law, is the military merely being utilized to strengthen the civil government in the enforcement of existing law. While it is true that there was some confusion in American jurisprudence before the American civil war, afterwards the whole matter was clarified, with such statements as those of Burdick, Willis and Willoughby.

Burdick, anticipating Willoughby, has for instance made this appraisal: "So-called martial law, except in occupied territory of an enemy, is merely the calling in of the aid of military forces by the executive, who is charged with the enforcement of the law, with or without special authorization by the legislature. Such declaration of martial law does not suspend the civil law, though it may interfere with the exercise of one's ordinary rights. The right to call out the military forces to maintain order and enforce the law is simply part of the police power. It is only justified when it reasonably appears necessary, and only justifies such acts as reasonably appear necessary to meet the exigency, including the arrest, or in extreme cases the killing of those who create the disorder or oppose the authorities. When the exigency is over, the members of the military forces are criminally and civilly liable for acts done beyond the scope of reasonable necessity. When honestly and reasonably coping with a situation of insurrection or riot a member of the military forces cannot be made liable for his acts, and persons reasonably arrested under such circumstances will not, during the insurrection or riot, be free by writ of habeas corpus."

Willoughby, for his part, said: "There is, then, strictly speaking, no such thing in American law as a declaration of martial law whereby military law is substituted for civil law. So-called declarations of martial law are, indeed, often made; but their legal effect goes no further than to warn citizens that the military powers have been called upon by the executive to assist him in the maintenance of law and order, and that, while the emergency lasts, they must, upon pain of arrest and punishment, not commit any acts which will in any way render more difficult the restoration of order and the enforcement of law."

Willis spoke similarly: "Martial law proper, that is military law in case of insurrection, riots, and invasions, is not a substitute for the civil law, but is rather an aid to the execution of civil law. Declarations of martial law go no further than to warn

citizens that the executive has called upon the military power to assist him in the maintenance of law and order. While martial law is in force, no new powers are given to the executive and no civil rights of the individual, other than the writ of habeas corpus, are suspended. The relations between the citizens and his state are unchanged."

It is quite clear, therefore, that a proclamation of martial law need not be a dictatorial or tyrannical act. It need not be an anti-democratic act. On the contrary it may be the means to save democracy.

Without going too far for an example, one may cite the acts of President Lincoln which were explained by him as acts to preserve the federal union and American democracy. Such acts, it must be noted, included what was patently illegal, like the suspension of the privilege of the writ of habeas corpus without the approval of the American Congress, as well as the presidential action of providing for additional appropriations for the armed forces and for the railroad, also without approval of the American Congress.

When I proclaimed martial law, I took care to announce that this concept, a part of American constitutional law, was to be followed and that the military was merely going to strengthen and enforce the decisions of the civil government that was considered supreme because, after all, the civil government was the legitimate government.

With respect to that other grievous and continuing danger to legitimate government, subversion, Philippine and American laws are likewise identical, as witness the provisions of the United States Smith Act of 1940 and the equivalent Philippine laws, as follows:

"Whoever knowingly or willfully advocates, abets, advises, or teaches the duty, necessity, desirability, of propriety of overthrowing or destroying the government of the

United States or the government of any State, Territory, District or Possession thereof, or the government of any political subdivision therein, by force or violence, or by the assassination of any officer of any such government; or

“Whoever, with intent to cause the overthrow or destruction of any such government, prints, publishes, edits, issues, circulates, sells, distributes or publicly displays any written or printed matter advocating, advising, or teaching the duty, necessity, desirability, or propriety of overthrowing or destroying any government in the United States by force or violence, or attempts to do so; or

“Whoever organizes or helps or attempts to organize any society, group, or assembly of persons who teach, advocate, or encourage the overthrow or destruction of any such government by force or violence; or becomes or is a member of, or affiliates with, any such society, group, or assembly of persons, knowing the purposes thereof—

“Shall be fined not more than \$10,000 or imprisoned not more than ten years, or both, and shall be ineligible for employment by the United States or any department or agency thereof, for the five years next following his conviction.” (Smith Act of 1940).

“Any association, organization, political party or group of persons organized for the purpose of overthrowing the Government of the Republic of the Philippines or for the purpose of removing from the allegiance to said government or its laws, the territory of the Philippines or any part thereof, with the open or covert assistance or support of a foreign power, by force, violence, deceit or other illegal means shall be considered and is hereby declared a subversive organization.” (Sec. 1, Batas Pambansa Blg. 31, amending P.D. 885 which enumerates as subversive, acts similar to those in the American law.)

With respect to arrest and detention, it is just possible that the conduct of the Philippine government under martial law is more blameless than that of the U.S. government without martial law. In May 1971, over a period of three days, 13,000 persons were arrested in Washington in connection with public demonstrations by war protestors. The number included passersby and spectators, to constitute a mass arrest which "has few equals in the 20th century....."

In fairness to the United States, however, it must be said that its laws on arrest are scrupulous in their respect for the rights of the individual. It must be added, in fairness to the Philippine government, that even under martial law the same respect is accorded to the human person. Philippine law prohibits arrests without warrant, except, as I have already noted, in what is called "citizen arrest," when a person in the act of committing a crime may be arrested by any citizen.

Even arrest, search and seizure orders (ASSOs) are subject to proper restraints. They may be issued by the Minister of National Defense only on probable cause based on sworn statements, with the prior clearance of the President/Prime Minister and only for offenses over which the military tribunals have exclusive jurisdiction. In addition, Letter of Instructions No. 772 provides that "all investigations shall be conducted in strict observance of constitutional processes, recognizing the rights of the accused, respondents and witnesses. These investigations shall be done quietly, without fanfare and undue publicity."

The Roman codifiers spoke of two pillars of civil order—law and authority. And Heraclitus 2500 years ago stated that civil order was a matter of balance between individual rights and law or authority. There must not be so much individual rights as to overwhelm the law, which would be anarchy; nor must there be too much law or authority as to overwhelm individual rights, which would result in tyranny.

The Philippine experiment, therefore, sought to establish such a balance. We have succeeded in maintaining civil order; at the same time we are in the process of organizing a new form of government, one that is parliamentary in nature. For this purpose, we conducted elections of the members of the parliament, the Interim Batasang Pambansa. We also conducted national elections for local officials and elections for the members of the autonomous legislative council of the two regions. The economic development was planned by a central planning agency, the National Economic and Development Authority. All these indicate that such a balance between authority and individual rights has been constantly and scrupulously maintained.

2. *Economic Ideology.*—The new leader of a developing society, faced with serious economic problems, is compelled to choose between the socialist and capitalist systems as a means to economic development.

As I explained earlier in the book, neither of the two competing economic ideologies is acceptable in its pure form. The Third World leaders have therefore adopted a mixture of both ideologies. With respect to the Philippines, we have adopted an economic ideology that includes the encouragement of private initiative and recognition of private property, but with an egalitarian base. The key to the basic policy of the new society in this respect is regulation of private property and private profit for public welfare.

3. *Form of Government.*—In an effort to telescope into a few years the achievements of centuries of the older societies, the developing countries cannot afford or tolerate the process that usually goes with the congressional or presidential system of government, a slow, irksome and in the end self-defeating process that is nevertheless inevitable because the system divides power between the legislature and the executive and thus encourages territorial jealousies.

This is not to say, of course, that a deliberate inclination or bias exists in favor of a tyrannical form of government. Rather the inclination is towards a more efficient and expeditious parliamentary form of government. Herein lies the cause of misunderstanding by the American observers. Another cause of confusion is that in a presidential form of government there usually is a limit to the tenure of a President. In a parliamentary form of government, the tenure of a Prime Minister or head of government is left to the decision of the people, based on his performance. In many Third World countries, therefore, where the parliamentary form of government has been adopted, heads of government have remained in office for comparatively long periods. The American, with his concept of limiting executive power or dividing it between the States and the federal government as well as fragmenting decision-making power between Congress and the President, is naturally shocked by a Prime Minister holding office continuously, sometimes for his whole lifetime. Yet to many new nations this may precisely be dictated both by their culture and tradition and may well be the secret to successful development—continuity of policy, and continuity in the implementation of such policies.

Nor is this less democratic than the presidential system.

The misunderstanding apparently prevalent in the Western media about the workings of a parliamentary form of government, to the extent that it is automatically thought to be dictatorial or tyrannical, may arise out of this bias or prejudice in favor of the fragmentation of executive and legislative power, rather than out of its antagonism to real forms of tyranny or dictatorship. It would certainly be unreasonable to regard the continuity of tenure of a British prime minister as tyrannical or dictatorial.

Another possible reason for this misunderstanding is that the move towards the adoption of a parliamentary form of government may coincide with the proclamation of martial law

or the suspension of the privilege of the writ of habeas corpus on account of rebellion. I can cite several countries where this has happened, but suffice it to say that this is true of the Philippines, where the armed forces were employed against the communist or leftist and the rightist rebellion as well as the southern secessionist movement under the Moro National Liberation Front.

What American or Western media cannot seem to understand is that, as in the Irish situation, a rebellion can last for long periods and that a communist rebellion is not easily uprooted. The Moro National Liberation Front up to now is fighting a secessionist movement which started in 1972. The situation has been exacerbated by the economic crisis which occurred in 1974 and has in 1979-1980 again brought about inflation and unemployment, which may be more dangerous than outright rebellion.

4. *Press Freedom*.—One of the manifestations of alleged tyranny or dictatorship which is claimed to be an inevitable result of martial law is the curtailment of press freedom and other individual freedoms.

I have already described in this book the transition in the regulation of the media after 1972, from government licensing, lasting no more than six months, to self-regulation by the media themselves. As is evident in Presidential Decree No. 576, such self-regulation, by means of councils respectively for the print and the broadcast media, is aimed solely at "the elevation of the ethics and the standards of excellence of mass media." This is an aim that any country doubtless finds wholesome and necessary. I cannot believe that any society could be delighted with newspapers or broadcast stations whose level of performance is limited to name-calling or misrepresentation, to foul if imperious judgments and crass entertainment.

The Philippine government policy on press freedom is to preserve the simple faith that the media of information and communication are capable of honesty, good faith and nobility.

The only limits that we have imposed on press freedom are those concerning security of the state, and libel. These limits are by no means peculiar to the Philippines. The United States has established similar limits. Indeed, as to both the freedom and the limits, the Philippines and the United States are identical. In both, with respect to libel for instance, the writer of a news report is guilty of libel only if he makes a false report, knowing it to be false.

Change And The Future

We may look, American futurists tell us, to a future—say, in the next ten to twenty years—of more people, more wealth and more security. But such a future, as former Secretary of the Treasury Douglas Dillon has said, is premised on a reexamination of the structure of American Federal system.

I am afraid that a bright future is reserved for the few; the Third World nations are not so certain that they are even in the transitional stage to the industrial society. Some observers say that such a society is probably not even desirable, anyway. Be that as it may, the guarded optimism about the future will still depend on whether there shall be peace or war in the world. The only assurance for peace that we can conceive of at present is a change in the world system and among all nations.

From our point of view, what is essential is the Third Alternative for developing nations. The external impositions of America on the one hand and Russia on the other can only be disastrous for all, for an imbalance of power on one side or the other is more likely to lead to war than the collapse or surrender of the other system. Solzhenitsyn once remarked that another war,

which he believes will not be atomic, will bury Western civilization forever. Should there be any high probability in that prognosis, America will only have itself to blame if it leans too heavily on the noncommunist world.

Crisis Of Confidence

For the Third World's future is the future of all, especially America. Indeed, at this very moment in American history, America needs to examine its system. President Carter himself recognized the crisis of confidence "that strikes at the very heart, soul and spirit of our national will... is threatening to destroy the social and political fabric of America."

Even before the impact of Watergate and the energy crisis, surveys of the attitudes of the American people showed a high degree of frustration, distrust of American institutions, aimlessness, moodiness, despair. A study conducted by Louis Harris and Associates, Inc., for the Senate Sub-committee on Intergovernmental Relations in September 1973 showed that, for the first time in more than a decade of opinion sampling, the feeling of powerlessness, cynicism and alienation among the American people had reached a majority percentage. Having experienced severe inflation, long gasoline lines, and shortages of commodities, the American public began to question the old-style American system. We have been told that the American dream of exploring new frontiers should be abandoned, for, as Peter Schrag wrote in *The End of the American Future*, we should adjust ourselves psychologically to a limited future and be content with a "postachievement ethics."

Without subscribing to the current extremist belief that "capitalistic society" has no future, I notice certain indications in the American leadership of a reassessment of social and political postures. A cursory study of the political platforms of Democratic and Republican Presidential candidates reveals the need for certain changes in the American system. President

Carter proposes a four billion-dollar cut in Federal spending, increase in gasoline price, cutting social programs and slashing federal aid to states and localities, enhancing relationships with China, imposing an embargo on grain sales to Moscow, relaxing CIA restrictions, and reestimation of the neutron bomb development. Edward Kennedy favors wage and price control to solve inflation problems, opposes the sale of \$4.5 billion worth of jet fighter planes to Saudi Arabia, Egypt and Israel, and advocates full employment and labor-law reforms. Ronald Reagan and George Bush agree on the need for stronger American presence in the world through increased defense spending, intelligence build-up, and SALT II rejection; both Republicans believe that the Federal government bears much of the blame for high inflation and submit a cutdown on Federal spending as a basic anti-inflationary move. All these, I think, are symptomatic of the general awakening of the American people to the challenge of survival in a changing world—a challenge that is more serious and immediate in the Third World.

The Most Trustworthy Cause

It is fair to say, then, that an alternative for the new nations, for the Third World, is the most trustworthy cause toward peace in the world. The call to change in the international world order, political no less than economic, is not a concession to the Third World but an offering to peace.

Encouraged to pursue their own destinies, to chart their own course toward a modern democratic life, the developing nations can defuse the mortal confrontations between conflicting ideologies and rival powers and thus become the pivot round which peace may revolve.

The management of the world can no longer be safely left to the superpowers. The future of the Third World is the future of the West.

Ours has been called *L'Epoque Malaise*. We live in feverish times, the worst of times, the best of times. We can hope for the best if we listen to the Third World.

Avoidance of War

Is it indelicate to assign such importance to the contribution of the Third World to the current alchemy of international affairs? I hope not. On the contrary, it seems to me imperative that the role of the developing nations in defining the values and priorities with which the world might find its bearings in the crucial days ahead is to be stressed, rather than belittled.

The Third World nations today are confronted with the need to make a hard and deliberate decision in three areas of real emergency. To put it another way, these developing nations are summoned by their own sense of duty to make very distinct choices on three levels of consciousness.

On one plane, the Third World must surely, as I said at the outset, recognize the imminence of war between the super-powers. To bring the focus upon Asia in particular, and to put the matter in blunt terms, how would the nations in this part of the world want themselves counted in the event of an outbreak of inevitable war?

My own experience moves me to suggest that this question must ultimately be decided in relation to another choice that a national leader is called upon to make, one shaped by his own perceptions of the systems of the two dominant powers. Given, as he is, the responsibility of guiding his country out of confusion and uncertainty and establishing civil order, with what system, with what forms of government, would he stake his people's future? I have already said that the predominantly contending systems are the liberal, consensus type of democracy and the totalitarian form of government. The first is unacceptable. We are only too familiar with its by-products: stalemates and deadlocks, and consequent delays, animosities and stagnation. The second al-

ternative is likewise to be abjured, being too extreme in its conduct and precepts. Its chief vice, of course, is its brutal denial of human rights.

The inescapable choice is authoritarianism for a limited time, the legitimate exercise of authority proceeding from law or the Constitution.

On still another plane, the Third World is called upon to choose the economic ideology that should mold and direct its development. I am convinced that neither capitalism nor socialism provides a proper and secure anchor for the economy of the typical Third World nation. The highly developed nations themselves, indeed the two superpowers, have unabashedly borrowed and snatched from each other to meet contingencies and requirements with more force and efficiency than their set methods and routine concepts could provide. Why, then, should they wish anyone to accept their respective systems in their pure form?

Thus are intertwined the choices facing the Third World. If the developing nations do not find it wise or prudent to adopt either of the economic systems, or to make a choice between totalitarianism and American democracy, how must they stand in a war of the big powers?

The choice, it seems to me, is not between the two superpowers but between having war and avoiding it. The choice is obvious, and I believe, as I think many of the Third World leaders do, that a war can be averted with the initiative and resolve of the United States. I believe this can be done for the simple reason that in a summing up of the attributes and propensities of the two big powers, the scales of nobility appear to tilt in favor of the United States. To be sure, both nations no longer perceive the spiritual nature of Asia; their understanding in this respect has turned dense with materialism. To both, having taught themselves to think constantly in a framework of "facts" and

tangible objects, in visible calibrations of practical value, the Asian habits of thought and intuition have been lost. To both, the Asian measures of value—culture, tradition, self-reliance, neighborliness and hospitality—are of no consequence in national economic blueprints. Still, I believe a residue of noble values must lie within the American system to encourage the hope that in the present drift towards a test of arms, the United States can flash signals of restraint and reasonableness.

To perform such service, the United States must now arm itself with the truth, and the willingness to know the truth. In this task, the media in the United States are an indispensable partner. To this day, there is sufficient congruence between the behavior of the U.S. government and that of the American media, enough identical distortions and falsehoods in the statements of American officials and the reports of American media, to support the suspicion that the United States is once again engaged in that variety of old diplomacy which deliberately promotes the de-stabilization of developing nations and then turns their leaders into pliant or malleable followers.

Unless the United States terminates this norm of political conduct on the international scene, it is in very real danger of losing its friends and allies and finding itself the sole combatant in a war with the Soviet Union.

I must reiterate that Asia today is disturbed by presentiments of war. There is also the great likelihood that the United States cannot fight on all fronts with equal resolve and resources. As before, Asia will be the first to be abandoned. Shall we then experience the shame and agony of Bataan once more?

It is a mistake to regard the military agreements of the Philippines and the United States as anything of more than scant value in relation to Philippine security against aggression from without. As for internal danger, such as that posed by the Hukbalahaps, the communist New Peoples Army, or the

secessionist movement in the South, it is a matter of record that the United States has never been of any help to the Philippine government, notwithstanding the two huge bases it has occupied for many years. It is simply axiomatic that if the United States is inconsequential in our security against internal unrest or disorder, it is highly improper that it interfere in our domestic affairs.

Why have we permitted U.S. occupation of our bases? The answer, simply, is that it guarantees American military presence in Asia and thus helps to redress the balance of power in the region. Thus, it constitutes our contribution to world peace.

It is our earnest hope in the Third World, particularly in Asia, that the United States will, in the ever increasing gloom under clouds of conflict, itself contribute to the avoidance of war. I am aware of the American tradition of fair play, on the one hand, and the high journalistic standards of objectivity and ethical behavior, on the other. I am therefore certain that the United States will have it in itself in some final hour to banish the impulse to confrontation and disaster, that this will be done because the American media, at last disdaining deliberate or accidental falsehoods, will rise to the challenge and guide the United States back to its noble values.

The other course is catastrophe.

APPENDICES

Appendix I

MUTUAL DEFENSE TREATY BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA

The Parties to this Treaty

Reaffirming their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments, and desiring to strengthen the fabric of peace in the Pacific area.

Recalling with mutual pride the historic relationship which brought their two peoples together in a common bond of sympathy and mutual ideals to fight side-by-side against imperialist aggression during the last war.

Desiring to declare publicly and formally their sense of unity and their common determination to defend themselves against external armed attack, so that no potential aggressor could be under the illusion that either of them stands alone in the Pacific area.

Desiring further to strengthen their present efforts for collective defense for the preservation of peace and security pending the development of a more comprehensive system of regional security in the Pacific area.

Agreeing that nothing in this present instrument shall be considered or interpreted as in any way or sense altering or diminishing any existing agreements or understandings between the Republic of the Philippines and the United States of America.

Have agreed as follows:

ARTICLE I. The parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relation from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

ARTICLE II. In order more effectively to achieve the objective of this treaty the Parties separately and jointly by self-help and mutual aid will maintain and develop their individual and collective capacity to resist armed attack.

ARTICLE III. The Parties, through their Foreign Ministers or their deputies, will consult together from time to time regarding the implementation of this Treaty and whenever in the opinion of either of them the territorial integrity, political independence or security of either of the parties is threatened by external armed attack in the Pacific.

ARTICLE IV. Each Party recognizes that an armed attack in the Pacific area on either of the Parties would be dangerous to its peace and safety and declares that it would act to meet the common dangers in accordance with its constitutional processes.

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

ARTICLE V. For the purposes of ARTICLE IV, an armed attack on either of the Parties is deemed to include an armed attack on the metropolitan territory of either of the Parties, or on the island territories under its jurisdiction in the Pacific ocean, its armed forces, public vessels or aircraft in the Pacific.

ARTICLE VI. This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the Parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security

ARTICLE VII. This Treaty shall be ratified by the Republic of the Philippines and the United States of America in accordance with their respective constitutional processes and will come into force when instruments of ratification thereof have been exchanged by them in Manila.

ARTICLE VIII. This Treaty shall remain in force indefinitely. Either Party may terminate it one year after notice has been given to the other party.

In witness whereof the undersigned Plenipotentiaries have signed this Treaty.
Done in duplicate at Washington this thirtieth day of August, 1951.

For the Republic of the Philippines

(Sgd.) CARLOS P. ROMULO
(Sgd.) JOAQUIN M. ELIZALDE
(Sgd.) VICENTE J. FRANCISCO
(Sgd.) DIOSDADO MACAPAGAL

For the United States of America:

(Sgd.) DEAN ACHESON
(Sgd.) JOHN FOSTER DULLES
(Sgd.) TOM CONNALLY
(Sgd.) ALEXANDER WILEY

No. 192

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT EXTENDING THE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA ON MILITARY ASSISTANCE TO THE PHILIPPINES. Manila, June 26, 1953.

Note: This Agreement entered into force, June 26, 1953.

Reference: This Agreement, is also published in II DFA TS No. 3, p. 1, and 213 UNTS, p. 71.

MANILA, June 26, 1953

EXCELLENCY:

I have the honor to acknowledge the receipt of Your Excellency's Note No. 1351 of June 26, 1953, reading as follows:

"I have the honor to refer to your Excellency's note of June 26, 1952 representing an extension of the existing Military Assistance Agreement for five years and to the conversations which have recently taken place between our two Governments concerning the furnishing of military assistance by my Government to the Government of the Republic of the Philippines; the desire of our two Governments to foster international peace and security within the framework of the Charter of the United Nations through measures which will further the ability of nations dedicated to the purposes and principles of the Charter to develop effective measures for self-defense in support of those purposes and principles, and without prejudice to continued exertion of maximum efforts to obtain agreements to provide the United Nations with armed forces as provided by its Charter and to obtain agreement among member nations upon universal regulation and reduction of armaments under adequate and dependable guarantee against violation or evasion; the recognition by our two Governments that measures to eliminate insecurity caused by fear of aggression will enhance the progress of economic development; and to confirm the understandings reached as a result of these conversations. as follows:

"(1) The Government of the United States will continue to make available to the Government of the Republic of the Philippines equipment, materials, services, or other assistance in accordance with such terms and conditions as may be agreed. The provision of such assistance shall be consistent with the Charter of the United Nations. Such assistance will be furnished under the provisions, and subject to all the terms and conditions contained in the Mutual Defense Assistance Act of 1949 and the Mutual Security Act of 1951, acts amendatory and supplementary thereto and appropriation acts thereunder. The two Governments will, from time to time, negotiate detailed arrangements necessary to carry out the provisions of this paragraph.

"(2) The Government of the Republic of the Philippines undertakes to make effective use of military assistance furnished to it under this Agreement or under the Military Assistance Agreement between our Governments signed March 21, 1947, as subsequently amended and supplemented, for the purpose for which such assistance was furnished, and will not, without prior consent of the Government of the United States, devote assistance so furnished to purposes other than those for which it has been or will be finished.

"(3) The two Governments will establish procedures under which equipment and materials furnished by the Government of the United States under this Agreement or under the Military Assistance Agreement between our two Governments signed March 21, 1947, as subsequently furnished under terms requiring reimbursement, and no longer required for the purpose for which originally made available, will be offered for return to the Government of the United States for appropriate disposition, without cost to the United States Government delivery to be at a place within the territory of the Republic of the Philippines designated by the United States Government.

"(4) The Government of the Republic of the Philippines will not transfer to any person not an officer or agent of that Government, or to any other nation, title to or possession of any equipment, materials, information, or services received under this Agreement or under the Military Assistance Agreement between our Governments signed March 21, 1947, as subsequently amended and supplemented, without the prior consent of the Government of the United States of America.

"(5) Each Government will take such security measures as may be agreed in each case between the two Governments in order to prevent the disclosure or compromise of classified military articles, services, or information furnished pursuant to this Agreement.

"(6) The Government of the Republic of the Philippines will, except as otherwise agreed to, grant duty-free treatment upon importation or exportation and exemption from any internal or exchange taxes to products, property, materials or equipment imported into its territory pursuant to this Agreement. The Government of the Republic of the Philippines will, in accordance with mutually satisfactory procedures, accord relief from all Philippine taxes and duties on any United States expenditures in the Philippines, for the common defense, including any foreign aid program of the United States.

"(7) The Government of the Republic of the Philippines will receive and the Government of the United States will furnish United States military personnel to assist and advise the Government of the Republic of the Philippines on Army, Navy, and Air Force matters, and to discharge the responsibilities of the Government of the United States under this Agreement. Such personnel, including personnel temporarily assigned, will operate as part of the Embassy of the United States, under the direction and control of the Chief of the Diplomatic Mission, and will be accorded the privileges and immunities applicable to accredited Embassy personnel of equivalent rank. Such personnel shall be accorded facilities to observe the utilization of assistance furnished pursuant to this Agreement. The Government of the Republic of

the Philippines shall grant, upon request of the Chief of the Diplomatic Mission of the United States, exemption from customs duties on articles imported for the personal use of such personnel and of members of their families.

"(8) (a) Subject to the provision of the necessary appropriations, the Government of the Republic of the Philippines will make available to the Government of the United States pesos for the use of the latter Government for its administrative and operating expenditures in connection with the carrying out of this Agreement. The two Governments will forthwith initiate discussions with a view to determining the amount of such pesos and will agree upon arrangements for the payment of such pesos.

(b) The Government of the Republic of the Philippines shall provide and defray the cost of suitable living quarters for the personnel provided for in paragraph 7, and their families, and suitable buildings and office space for use in the conduct of official business by such personnel. All living and office quarters shall conform to the standards prescribed by the United States military services for similar quarters. The cost of all services required by such personnel, including compensation of locally employed interpreters, clerks, laborers and other personnel, except personal servants, shall be borne by the Government of the Republic of the Philippines.

"(9) In fulfillment of the principle of mutual aid to which both Governments subscribe, the Governments of the Republic of the Philippines will facilitate the production, transport, export and transfer to the Government of the United States for such terms and conditions as may be agreed upon, of raw and semi-processed materials required by the United States as a result of raw material deficiencies in its own resources, and which may be available in the Republic of the Philippines. Arrangements for such transfers shall give due regard to reasonable requirements for domestic use and commercial export of the Republic of the Philippines.

"(10) The two governments will, upon request of either of them, negotiate appropriate arrangements between them providing for the methods and terms of the exchange of patent rights and technical information for defense which will expedite such exchange and at the same time protect private interests and maintain necessary security safeguards.

"(11) The two Governments will establish procedures whereby the Government of the Philippines will so deposit, segregate, or assure title to all funds allocated to or derived from any program of assistance undertaken by the Government of the United States so that such funds shall not be subject to garnishment, attachment, seizure or other legal process by any person, firm, agency, corporation, organization, when in the opinion of the government of the United States any such legal process would interfere with the attainment of the objectives of said program of assistance.

"(12) The Government of the Philippines hereby confirms that it has agreed to:

a. join in promoting international understanding and goodwill, and maintaining world peace;

b. take such action as may be mutually agreed upon to eliminate causes of international tension;

c. fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

d. make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic conditions to the development and maintenance of its own defensive strength and the defensive strength of the free world;

e. take all reasonable measures which may be needed to develop its defense capacities; and

f. take appropriate steps to insure the effective utilization of the economic and military assistance provided by the United States.

"(13) The Republic of the Philippines will take appropriate measures consistent with security to keep the public informed of operations under this Agreement.

"(14) So long as this Agreement remains in force, the Government of the Republic of the Philippines shall not engage or accept the services of any personnel of any Government other than the United States of America for duties of any nature connected with the Philippine armed forces, except by mutual agreement between the Government of the United States and the Government of the Republic of the Philippines.

"(15) Military equipment, supplies and naval vessels necessary in connection with the carrying out of the full program of military assistance to the Republic of the Philippines shall be provided from United States and the Philippine sources in so far as practicable. The Government of the Republic of the Philippines shall procure arms, ammunition, military equipment and naval vessels from governments of agencies other than the United States of America only on the basis of mutual agreement between the Government of the United States of America and the Government of the Republic of the Philippines. The Government of the Republic of the Philippines shall procure the United States military equipment, supplies and naval vessels only as mutually agreed upon.

"(16) This note and the reply of the Government of the Republic of the Philippines shall be registered with the Secretariat of the United Nations in accordance with Article 102 of the Charter of the United Nations.

"I have the honor to propose that, if these undertakings are acceptable to your Government, this note and Your Excellency's reply constitute an Agreement between our two Governments effective July 5, 1953, to remain in force until one year after the receipt by either Government of notification in writing of the intention of the other Government to terminate it, such notification to follow consultation between both parties as to the accomplishment of the purposes which motivated the two Governments in achieving the Agreement,

except that the provisions of paragraphs 2, 3 and 4, and arrangements entered into under paragraphs 5 and 10 shall remain in force unless otherwise mutually agreed.

"Accept, Excellency, the renewed assurances of my highest consideration."

I am pleased to inform Your Excellency that the undertakings contained in the above-quoted note are acceptable to my Government, and that Your Excellency's note and this reply thereto constitute an Agreement between our two Governments effective July 5, 1953.

Accept, Excellency, the renewed assurances of my highest consideration.

FELINO NERI
Acting Secretary

HIS EXCELLENCY

RAYMOND A. SPRUANCE
American Ambassador
Manila

MEMORANDUM OF AGREEMENT

1. In accordance with the understandings reached during our discussions in August, September and October 1959, the following is agreed:

- (a) *Consultation*: The operational use of United States bases in the Philippines for military combat operations, other than those conducted in accordance with United States-Philippines Mutual Defense Treaty and Southeast Asian Collective Defense Treaty, will be the subject of prior consultation with the Government of the Philippines.

The establishment by the United States of long range missiles (IRBM, ICBM) on United States bases in the Philippines will be the subject of prior consultation with the Government of the Philippines.

- (b) *Duration and Termination*: Article XXIX of the Military Bases Agreement of 1947 will be amended in order to reduce the duration of the agreement from 99 to 25 years together with a proviso for renewal at the expiration of the 25-year-period or earlier termination by mutual agreement of our two governments. The period of 25 years will commence from the date of signature of the formal documents giving effect to the agreements reached.

- (c) *Mutual Defense*: The policy of the United States with regard to armed attack on the Philippines is contained in the Mutual Defense Treaty. Further the United States reaffirms the policy set forth in the statement of September 7, 1954 of then Secretary of State Dulles which reads as follows:

"Under our Mutual Defense Treaty and related actions, there have resulted air and naval dispositions of the United States in the Philippines, such that an armed attack on the Philippines could not but be also an attack upon the military forces of the United States. As between our nations, it is no legal fiction to say that an attack on one is an attack on both. It is a reality that an attack on the Philippines is an attack also on the United States"

and in the joint communique issued on June 20, 1958 by President Eisenhower and President Garcia the pertinent part of which reads as follows:

"President Eisenhower made clear that, in accordance with these existing alliances and the deployments and dispositions thereunder, any armed attack against the Philippines would involve an attack against United States forces stationed there and against the United States and would instantly be repelled."

CHARLES E. BOHLEN
Ambassador of the United States

FELIXBERTO SERRANO
Secretary of Foreign Affairs

October 12, 1959

MINUTES OF UNDERSTANDING

It is agreed that the general aspects of the military assistance rendered by the United States to the Philippines under existing agreements will be referred to the Mutual Defense Board for consideration and discussion.

(Sgd.) CHARLES E. BOHLEN
Ambassador of the United States

(Sgd.) FELIXBERTO SERRANO
Secretary of Foreign Affairs

October 12, 1959

MINUTES OF UNDERSTANDING

With reference to para 1 (a) of Memorandum of Agreement signed October 12, 1959 it is understood that the phrase "military combat operations" means the direct launching of military combat operations. However, the phrase "direct launching of" has been deleted from the text of the Memorandum of Agreement, in accordance with the Philippine request, in order to avoid the possibility that this phrase might be misinterpreted to mean that the bases might be used to initiate aggressive Operations in violation of the UN Charter.

(Sgd.) CHARLES E. BOHLEN
Ambassador of the United States of America

(Sgd.) FELIXBERTO SERRANO
Secretary of Foreign Affairs

October 12, 1959

C O N F I D E N T I A L

THE FOREIGN SERVICE
of the
UNITED STATES OF AMERICA
American Embassy
Manila, Philippines
October 12, 1959

My dear Secretary Serrano:

In connection with our discussions on the various points included in our agreed agenda for these exploratory bases discussions, I wish to inform you that my Government is prepared to include the following statement in whatever document formalizes the agreements we have reached on all matters under discussion:

"Nothing in these agreements prejudices the inherent right of either Government to raise with the other in appropriate circumstances any question of particular interest to it."

Sincerely yours,

(Sgd.) Charles E. Bohlen

The Honorable
Felixberto Serrano
Secretary of Foreign Affairs
Department of Foreign Affairs
Manila, Philippines

Ferdinand E. Marcos / 165

Manila, Philippines
January 7, 1979

Dear Mr. President:

I have the honor to convey the attached letter to you from President Carter, the text of which was received telegraphically at this Embassy. I will deliver the signed original upon receipt.

With respect,

RICHARD W. MURPHY
Ambassador

His Excellency
Ferdinand E. Marcos,
President of the Republic of the Philippines.
Malacañan, Manila.

January 4, 1979

Dear Mr. President:

I was pleased to learn that our negotiators have reached agreement on an amendment to the 1947 Military Bases Agreement.

In the light of this development, I wish to state that the Executive Branch of the United States Government will, during the next five fiscal years, make its best effort to obtain appropriations for the Philippines of the following amounts of security assistance:

Military Assistance:	\$ 50 million
Foreign Military Sales Credits:	\$250 million
Security Supporting Assistance:	\$200 million

In addition, the United States will give prompt and sympathetic consideration to requests for specific items of military equipment to be provided under these programs, and to requests for the sale of other military equipment which your Government may wish to purchase through U.S. Government or commercial channels, consistent with the world-wide policies of this Government with respect to the transfer of conventional arms.

In closing, let me state once again that I appreciate your personal efforts in bringing these negotiations to a successful conclusion. I believe that the amendment to which our two Governments have now agreed will strengthen the security not only of the Philippines and the United States but also of the entire western Pacific region.

Sincerely,

JIMMY CARTER

His Excellency
Ferdinand E. Marcos,
President of the Republic of the Philippines.
Malacañan, Manila.

Manila, Philippines
January 7, 1979

Dear General Romulo:

I have the honor to convey the attached letter to you from Secretary Vance, the text of which was received telegraphically at this Embassy. I will deliver the signed original upon receipt.

With respect,

RICHARD W. MURPHY
Ambassador

His Excellency
Carlos P. Romulo
Minister for Foreign Affairs.
Manila.

January 6, 1979

Dear General Romulo:

I was delighted to learn that negotiators for our two governments have reached agreement on a comprehensive amendment to the Military Bases Agreement. I believe much significance will be attached to this Amendment, which places our use of facilities in the Republic of the Philippines on a new and long-term basis that fully recognizes Philippine sovereignty over the bases. It will be symbolic in Asia, as well as in our two countries, of the importance which the United States attaches to continued close relations with the Philippines. It provides tangible assurance of the strong desire of the United States for close cooperation with its friends and allies.

I should like to reaffirm our obligation under Article IV of the Mutual Defense Treaty to act to meet the common dangers in accordance with our Constitutional processes in the event of an armed attack in the Pacific area on the Republic of the Philippines. I also reaffirm our obligations under Article III of this treaty, which provides for consultations between our two governments regarding the implementation of this treaty and whenever in the opinion of either party the territorial integrity, political independence or security of either of the parties is threatened by external armed attack in the Pacific. This assures that either party will be able to consult the other on any matter which it believes falls within this Article.

Article V of the Mutual Defense Treaty states that for the purposes of Article IV, an armed attack on either of the parties is deemed to include an armed attack on the metropolitan territory of either of the parties or on the island territories under its jurisdiction in the Pacific or on its armed forces, public vessels or aircraft in the Pacific. All elements of this definition are of equal validity in terms of US commitment under the treaty. Metropolitan territory is defined below. However, as provided in Article V, an attack on Philippine armed forces, public vessels or aircraft in the Pacific would not have to occur within the metropolitan territory of the Philippines or island territories under its jurisdiction in the Pacific in order to come within the definition of Pacific area in Article V.

"Metropolitan territory of the Philippines" means all of the land areas and all adjacent waters subject to the sovereignty of the Republic of the Philippines, in accordance with international law, lying within the area delineated by Spain and the United States in the Treaty of Paris of December 10, 1898, and in the Treaty of Washington concluded by the United States and Great Britain on January 2, 1930.

At the same time, the United States will support Philippine plans and efforts to achieve military self-reliance, within the guidelines of President Carter's letter. We will support those efforts by means of our security assistance programs, including the important training component. We remain receptive to discussing new ideas or concepts that might improve the capability and self-reliance of Philippine armed forces and enhance our mutual contribution to regional peace and stability.

The provisions regarding criminal jurisdiction for United States forces in the Philippines incorporate the substance of comparable arrangements applicable to United States forces in member countries of the North Atlantic Treaty Organization and in Japan. Moreover, in those cases where official duty is at issue between the United States and Philippine Governments, United States forces have developed procedures to retain accused personnel in the Philippines for a reasonable time, and to prevent their inadvertent departure, in order to provide opportunities for discussions between the two governments relating to the jurisdictional question. I welcome the assumption by Philippine forces of responsibility for perimeter security at the bases. These new arrangements should contribute greatly to easing the problems of criminal jurisdiction.

With respect to base lands outside the United States facilities and the surrounding areas, the United States Government is ready to consider the question of economic assistance and other United States Government programs for suitable projects as well as projects that might appropriately be undertaken by private enterprise. The United States Government stands ready, for example, to work with the Philippine Government to determine what could be done to help small-farmer agriculture provide more food of the type and quality which the US facilities, along with other buyers, might purchase. In addition, the United States Government is prepared to consider appropriate assistance, subject to the approval of the Congress, for improving economic and social conditions in Angeles City and Olongapo City and surrounding areas and to relate these U.S. efforts to Philippine Government plans for utilization of returned base land areas.

In the negotiations leading to the present Amendment, a number of questions have arisen regarding the Mutual Defense Treaty and the proposal to conduct a review of the Military Bases Agreement five years after the entry into force of the

present Amendment. I should like to set forth the positions of the United States Government with respect to those questions as follows:

In the context of the Mutual Defense Treaty, we would define "aggression" as external armed attack. The provisions of the Mutual Defense Treaty most relevant are Articles IV and V. Article IV provides that "each party recognizes that an armed attack in the Pacific area on either of the parties would be dangerous to its own peace and safety and declares that it would act to meet the common dangers in accordance with its constitutional processes." Article V provides that "an armed attack on the metropolitan territory of either of the parties, or on the island territories under its jurisdiction in the Pacific or on its armed forces, public vessels or aircraft in the Pacific." An external attack on any part of the metropolitan Philippines would make the Treaty applicable and would, accordingly, obligate the United States to "act to meet the common dangers in accordance with its constitutional processes."

The reference in the Treaty to "constitutional processes" serves to make clear that the Treaty could not, and was not intended to, alter those processes for either party. In the case of the United States, the powers of the President under our Constitution as Chief Executive and Commander-in-Chief are extensive and remain unimpaired by the Treaty. It should be noted that the War Powers Resolution provides that it is not intended "to alter the constitutional authority of the Congress or of the President, or the provisions of existing treaties."

Mutuality of our relationship shapes the United States approach to all issues between the United States and the Philippines. The Mutual Defense Treaty is the most explicit statement of this mutuality. The Mutual Defense Treaty has force and effect independent of the Military Bases Agreement. In fact, the Mutual Defense Treaty, which entered into force four years after the Military Bases Agreement, states in its preamble that "... nothing in this present instrument shall be considered or interpreted as in any way or sense altering or diminishing any existing Agreements or understandings between the United States of America and the Republic of the Philippines." The Mutual Defense Treaty and the Military Bases Agreement have their own separate provisions for termination.

By "review" of the Military Bases Agreement after five years, we mean a complete and thorough process which would address any outstanding issues between our governments regarding the Military Bases Agreement, including its provisions, its duration, and the manner of its implementation, to assure that the Agreement continues to serve the mutual interests of both parties.

In closing, let me say that I deeply appreciate the vital role you have played in bringing these significant talks to a successful conclusion.

In this new year, I look forward to a continuation of the cooperation which so long marked relations between our two countries and our personal relationship.

Sincerely,

CYRUS VANCE

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT BETWEEN THE
REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA
AMENDING THE MILITARY BASES AGREEMENT OF 1947. MANILA,
7 JANUARY 1979.

EMBASSY OF THE
UNITED STATES OF AMERICA

Manila, January 7, 1979

No. 7

Excellency:

On December 7, 1975, at the conclusion of U.S. President Gerald R. Ford's state visit to the Philippines, a Joint Communiqué was issued by Philippine President Ferdinand E. Marcos and U.S. President Gerald R. Ford. The Joint Communiqué stated, *inter alia*, as follows:

"They agreed that negotiations on the subject of United States use of Philippine military bases should be conducted in the clear recognition of Philippine sovereignty. The two Presidents agreed that there should be an early review of the steps necessary to conclude the negotiations through the two panels already organized for that purpose."

Also, on May 4, 1978, at the conclusion of U.S. Vice President Walter F. Mondale's official visit to the Philippines, a Joint Statement was issued by Philippine President Ferdinand E. Marcos and U.S. Vice President Walter F. Mondale, in which it was agreed that representatives of their government would negotiate amendments to the Military Bases Agreement reflecting certain principles.

Copies of the Joint Communiqué of December 7, 1975 and of the Joint Statement of May 4, 1978 are appended hereto for reference.

Representatives of our governments have since met and agreed on modification to the Philippine-United States Military Bases of 1947, as previously amended. Our representatives have agreed that:

1. The bases subject of the Agreement are Philippine military bases over which Philippine sovereignty extends;
2. Each base shall be under the command of a Philippine base commander; and
3. The United States shall have the use of certain facilities and areas within the bases and shall have effective command and control over such facilities and over United States personnel, employees, equipment and material. Consistent with rights and obligations under the 1947 Agreement, as amended, the United States shall be assured unhampered military operations involving its forces in the Philippines.

In implementation of the above, the two governments have agreed on the attached implementing arrangement with annexes and accompanying maps.

They have further agreed that:

1. Only the Philippine flag shall be flown singly at the Bases. The United States flag, together with the Philippine flag which shall at all times occupy the place of honor, may be displayed within buildings and other indoor sites at the United States facilities, and in front of the headquarters of the United States Commanders and, upon coordination with the Philippine Base Commanders, for appropriate outdoor ceremonies such as military honors and parades on the facilities.

2. Development of base lands subsequent to this Agreement, for other than military purposes, shall be accomplished in such a manner as to ensure that Philippine and United States military operations will remain unhampered and effective security of the bases will be maintained. The parties shall see to it that any such development will not limit the use of the facilities or in any way obstruct military operations, the safety of flight, navigation or the efficiency of communication or transportation.

3. The provisions of the military bases agreement of 1947, as previously amended, regarding rent and definition of bases, as set forth in Article I, Article XXVI and Annexes A and B of such agreement are hereby superseded.

4. In every fifth anniversary year from the date of this modification and until the termination of the Military Base Agreement there shall be begun and completed a complete and thorough review and reassessment of the agreement including its objectives, its provisions, its duration, and the manner of implementation to assure that the agreement continues to serve the mutual interest of both parties.

The two parties take note of the economic and social conditions in the areas surrounding the bases and express their joint interest in developing programs designed to upgrade them.

The two parties also take note of the decision by the Government of the Philippines to assume responsibility for perimeter security at the bases. This should significantly decrease contacts between Filipino civilians and American servicemen on official duty involving security. The parties also note the decision of the United States to retain accused personnel in the Philippines for a reasonable time, and to prevent their inadvertent departure, in order to provide opportunities for adequate discussions between the two governments relating to the jurisdictional question in official duty cases.

If the foregoing is acceptable to the Government of the Philippines, I have the honor to propose that this Note and Your Note in reply confirming acceptance constitute an agreement between our governments.

Accept, Excellency, the renewed assurance of my highest consideration.

RICHARD W. MURPHY
Ambassador

His Excellency
Carlos P. Romulo,
Minister for Foreign Affairs,
Manila

JOINT STATEMENT OF
PRESIDENT MARCOS AND VICE PRESIDENT MONDALE

May 4, 1978

President Marcos and Vice President Mondale discussed matters pertaining to the military bases in the Philippines. In this regard, they agreed that United States continued use of the Philippine bases contributes to the mutual benefit of both countries. They agreed on the need to conclude negotiations on amendments to the Military Bases Agreement that would allow United States continued use of Philippine military bases on terms fully consistent with Philippine sovereignty.

In this regard, they agreed that representatives of their Governments will negotiate amendments to the Military Bases Agreement reflecting, among others, the following principles:

1. The United States reaffirms that Philippine sovereignty extends over the bases.

2. Each base shall be under the command of a Philippine Base Commander.

3. The United States shall be assured effective command and control over United States personnel, employees, equipment, material, the facilities authorized for their use within the military bases, and unhindered military operations involving their own forces as provided for in this Agreement.

4. In every fifth anniversary year from the date of the amendments and until the termination of the Agreement, there shall be begun and completed a complete and thorough review and reassessment of the agreement, including its objectives, its provisions, its duration, and the manner of implementation to ensure that the Agreement continues to serve mutual interest of both parties.

In order to expedite the conclusion of such amendments, the two sides will designate representatives to develop means of giving concrete manifestations to these principles.

JOINT COMMUNIQUE OF
PRESIDENT MARCOS AND PRESIDENT FORD

December 7, 1975

During the visit of President and Mrs. Gerald R. Ford at the invitation of President and Mrs. Ferdinand E. Marcos, the two Presidents welcomed the opportunity to renew the bonds of friendship between their two nations and to review the status of their alliance in the light of changing circumstances in the Pacific region.

They affirmed that sovereign equality, territorial integrity and political independence of all states are fundamental principles which both countries scrupulously respect.

They confirmed that mutual respect for the dignity of each nation which characterizes their friendship as well as the alliance between their two countries.

The two Presidents discussed the measures which they agreed were desirable to enhance their relations, and to adjust them to current conditions and needs.

In the field of economic and commercial relations, they agreed that it was timely to conclude negotiations on a new agreement on trade, investment and related matters as a means to enhance economic cooperation between the two countries. This agreement would modernize the terms for conducting economic and commercial relations, taking account of the end of the Laurel-Langlely agreement and giving due consideration to the requirements for the development of the Philippine economy. The Philippines stressed their desire regarding United States tariff treatment for such significant Philippine products as mahogany and coconut oil.

In the field of security cooperation, they declared that the alliance between the United States and the Philippines is not directed against any country, but it is intended to preserve the independence and promote the welfare of their two peoples, while at the same time contributing to peace and progress to all. They considered that the treaty of August 30, 1951 enhanced the defense of both countries, strengthened the security of the Pacific region, and contributed to the maintenance of world peace. They agreed that the military bases used by the U.S. in the Philippines remain important in maintaining an effective United States presence in the western Pacific in support of these mutual objectives.

They agreed that negotiations on the subject of United States' use of Philippine military bases should be conducted in the clear recognition of Philippine sovereignty. The two Presidents agreed that there should be an early review of the steps necessary to conclude the negotiations through the two panels already organized for that purpose.

President Marcos explained his efforts to attain military self-reliance and his policy not to allow the introduction of foreign ground troops into the Philippines for its defense except as a last resort. President Ford expressed support for these realistic policies and to this end indicated that the United States intended to continue to provide assistance to the Philippines within the framework of available resources.

The two Presidents reaffirmed their commitment to continue close association on all matters of mutual concern. They concluded that the ties between the Philippines and the U.S. remain strong and mutually beneficial.

President Ford thanked President Marcos for the magnificent hospitality extended to him and Mrs. Ford. President Marcos accepted President Ford's invitation to make a return visit to the United States at a mutually convenient time.

REPUBLIKA NG PILIPINAS
MINISTRI NG UGNAYANG PANLABAS
MAYNILA

7 January 1979

Excellency:

I have the honor to acknowledge the receipt of Your Excellency's note of January 7, 1979, which reads as follows:

"Excellency:

"On December 7, 1975, at the conclusion of U.S. President Gerald R. Ford's state visit to the Philippines, a Joint Communique was issued by Philippine President Ferdinand E. Marcos and U.S. President Gerald R. Ford. The Joint Communique stated, *inter alia*, as follows:

"They agreed that negotiations on the subject of United States use of Philippine military bases should be conducted in the clear recognition of Philippine sovereignty. The two Presidents agreed that there should be an early review of the steps necessary to conclude the negotiations through the two panels already organized for that purpose."

"Also, on May 4, 1978, at the conclusion of U.S. Vice President Walter F. Mondale's official visit to the Philippines, a Joint Statement was issued by Philippine President Ferdinand E. Marcos and U.S. Vice President Walter F. Mondale, in which it was agreed that representatives of their governments would negotiate amendments to the Military Bases Agreement reflecting certain principles.

"Copies of the Joint Communique on December 7, 1975 and of the Joint Statement of May 4, 1978 are appended hereto for reference.

"Representatives of our governments have since met and agreed on modification to the Philippine-United States Military Bases Agreement of 1947, as previously amended. Our representatives have agreed that:

1. The bases subject of the Agreement are Philippine military bases over which Philippine sovereignty extends;
2. Each base shall be under the command of a Philippine base commander;
and
3. The United States shall have the use of certain facilities and areas within the bases and shall have effective command and control over such facilities and over United States personnel, employees, equipment and material. Consistent with its right and obligations under the 1947 Agreement, as amended, the United States shall be assured unhampered military operations involving its forces in the Philippines.

"In the implementation of the above, the two governments have agreed on the attached implementing arrangements with annexes and accompanying maps.

"They have further agreed that:

1. Only the Philippine flag shall be flown singly at the bases. The United States flag, together with the Philippine flag which shall at all times occupy the place of honor, may be displayed within buildings and other indoor sites at the United States facilities, and in front of the headquarters of the United States Commanders and, upon coordination with the Philippine Base Commanders, for appropriate outdoor ceremonies such as military honors and parades on the facilities.

2. Development of base lands subsequent to this Agreement, for other than military purposes, shall be accomplished in such a manner as to ensure that Philippine and United States military operations will remain unhampered and effective security of the bases will be maintained. The parties shall see to it that any such development will not limit the use of the facilities or in any way obstruct military operations, the safety of flight, navigation or the efficiency of communication or transportation.

3. The provisions of the military bases agreement of 1947, as previously amended, regarding grant and definition of bases, as set forth in Article I, Article XXVI and Annexes A and B of such agreement are hereby superseded.

4. In every fifth anniversary year from the date of this modification and until the termination of the Military Bases Agreement there shall be begun and completed a complete and thorough review and reassessment of the agreement including its objectives, its provisions, its duration, and the manner of implementation to assure that the agreement continues to serve the mutual interest of both parties.

"The two parties take note of the economic and social conditions in the areas surrounding the bases and express their joint interest in developing programs designed to upgrade them.

"The two parties also take note of the decision by the Government of the Philippines to assume responsibility for perimeter security at the bases. This should significantly decrease contacts between Filipino civilians and American servicemen on official duty involving security. The parties also note the decision of the United States to retain accused personnel in the Philippines for a reasonable time, and to prevent their inadvertent departure, in order to provide opportunities for adequate discussions between the two governments relating to the jurisdictional question in official duty cases.

"If the foregoing is acceptable to the Government of the Philippines, I have the honor to propose that this Note and your Note in reply confirming acceptance constitute an agreement between our governments.

"Accept, Excellency, the renewed assurances of my highest consideration."

I am pleased to inform Your Excellency that the understandings contained in the above-quoted Note are acceptable to my Government, and that Your Excellency's Note above-quoted and this reply thereto shall constitute an Agreement between our two Governments effective January 7, 1979.

Accept, Excellency, the renewed assurances of my highest consideration.

CARLOS P. ROMULO
Minister for Foreign Affairs

His Excellency

RICHARD W. MURPHY
Ambassador of the United States
Manila

ARRANGEMENTS REGARDING DELINEATION OF UNITED STATES FACILITIES AT CLARK AIR BASE AND SUBIC NAVAL BASE; POWERS AND RESPONSIBILITIES OF THE PHILIPPINE BASE COMMANDERS AND RELATED POWERS AND RESPONSIBILITIES OF THE UNITED STATES FACILITY COMMANDERS; AND THE TABONES TRAINING COMPLEX.

The Government of the Republic of the Philippines and the United States of America have, with respect to the above-mentioned issues relative to the Philippines-United States Military Bases Agreement of 1947, as previously amended, this date agreed to the following:

I. The boundaries of the Philippine military bases known as Clark Air Base and Subic Naval Base and their extensions, as well as the boundaries of the United States facilities therein, their extensions and depicted areas, and the special arrangements for the use thereof by Philippine and United States forces are contained in Annexes I and II hereto. The boundary lines represented on the maps and charts attached to the annexes are symbolic, and joint surveys to be conducted by representatives of the Philippine-United States Mutual Defense Board, are required to delineate precise boundaries.

II. The powers and responsibilities of Philippine Base Commanders (hereinafter referred to as Base Commanders) and the related powers and responsibilities of United States Facility Commanders (hereinafter referred to as United States Commanders), in addition to these contained in Annexes I and II hereto, are set forth in Annex III hereto. In the performance of their duties the Base Commanders and the United States Commanders shall be guided by full respect for Philippine sovereignty on the one hand and the assurances of unhampered United States military operations on the other.

III. The Philippines and the United States, with respect to the United States Facilities, shall have the right granted to each in relation to what heretofore were known as "United States bases" under the provisions of the Military Bases Agreement of 1947, as previously amended (other than Article I, Article XXVI and Annexes A and B thereof and as modified this date.

IV. The boundaries of the Tabones Training Complex and the special operating arrangements for its use by Philippine and United States forces, pursuant to the exchange of notes of December 22, 1965 between the Government of the Republic of the Philippines and the United States of America, are contained in Annex IV.

V. The Philippine Government assures that United States forces access to, egress from, and movement between United States Facilities, depicted areas, other areas of the Philippine military bases which are made available for use by United States forces in this Agreement and related agreements, and the Tabones Training Complex shall be unimpeded.

ANNEX II
CLARK AIR BASE

A. General

The boundaries of the Philippine military base known as Clark Air Base and the United States Facility therein consisting of Clark Air Base Proper, the United States Air Force Transmitter site at O'Donnell and the United States Navy Transmitter site at Capas are portrayed on the map attached at Tabones. The State Department Regional Radio Relay Facilities located at Clark Air Base Proper and at O'Donnell, as reflected in green on the map attached at Tabones, will be addressed as appropriate through separate Government-to-Government action.

B. Delineation of the United States Facility and its extension;

1. Clark Proper Land Delimitation.

a. The map attached at Tab two portrays the United States Facility boundary in that portion of the base commonly referred to as Clark Air Base Proper.

b. The map also reflects the following agreed construction constraint/access rights applicable to the base land area on the east side of Clark Air Base Proper:

(1) Existing utilities/service lines and microwave sighting lines to remain clear and unimpeded.

(2) No building zone.

(3) Restrictions pertaining to occupied buildings and structures taller than 50 feet or 80 feet.

(4) Overhead power line restrictions.

(5) Assured United States access to/from MacArthur Highway via Mitchell Highway.

2. Wallace Air Station

a. Wallace Air Station shall be an extension of Clark Air Base and shall be under the command of the Base Commander of Clark Air Base.

b. The United States Facility within Wallace Air Station shall be an extension of the United States Facility at Clark Air Base and shall be under the command of the United States Commander of the United States Facility at Clark Air Base.

c. The map attached at Tab three portrays the boundaries of the base extension and of the United States Facility therein.

d. Both Philippine and United States units shall be based within the United States Facility at Wallace Air Station. Philippine structures and equipment at Wallace shall be under the control of the Base Commander of Clark Air Base. The Philippine Government missions and personnel based at Wallace will be controlled by their designated organizations. United States operations, personnel, structures and equipment at Wallace will be under the command and control of the United

States Commander of the United States Facility at Clark Air Base. There shall be joint utilization of the Wallace radar as agreed to by the Base Commander and the United States Commander. The existing United States structures and equipment at Wallace, which are jointly operated with the Philippine Air Force, shall be maintained and, as appropriate, improved by the United States Commander.

e. In case of a Philippine national emergency and loss of the Primary Philippine Air Defense Control Center (ADCC), the Philippine Air Force, in accordance with mutually agreed procedures, may assume control of the ADCC function at Wallace.

f. The Base Commander shall be responsible for providing perimeter security of the air station. The United States Commander shall be responsible for security of the facility extension.

g. The Voice of America Installation (reflected in green on the map attached at Tab three) will be addressed as appropriate through separate Government-to-Government action.

C. Special Operation Arrangements.

1. Crow Valley Weapons Range

The Base Commander shall administer the Cow Valley Weapons Range which is reserved for joint use of Philippine and United States forces. The United States activities within the range shall be limited to those appropriate to the operation, maintenance, improvement and security of the range. The United States Commander shall operate, maintain, improve and secure the Crow Valley Weapons Range and associated United States equipment/installations within and without the range, reflected on the map attached at Tab four, including but not limited to the target areas, runway, fixed operating locations and mobile site locations, and provide weather and explosive ordinance disposal services. The scheduling of the range shall be the responsibility of the United States Commander. In this connection, the United States Commander shall coordinate closely with the Base Commander to insure, to the maximum extent possible, that the training requirements of Philippine and United States forces are satisfied. The utilization of the range shall be reported monthly to the Base Commander.

2. John Hay Air Station

a. John Hay Air Station shall be an extension of Clark Air Base and shall be under the command of the Base Commander of Clark Air Base. The map attached at Tab five portrays the boundaries of the base extension.

b. A portion of John Hay Air Station as depicted on the map attached at Tab five, shall be reserved for the use of United States forces primarily as rest and recreation center and shall be under the command and control of the United States Commander of the United States Facility at Clark Air Base, who shall be responsible for the security of the Depicted Area.

c. Armed Forces of the Philippines personnel, in addition to United States personnel, may use United States recreational, lodging and dining activities within the Depicted Area. Other personnel, as appropriate, may use United States

recreational and dining activities therein. Such uses will be in accordance with procedures to be agreed upon by the Base Commander and United States Commander.

d. The United States Commander of the United States Facility at Clark Air Base is also assured the right to use, control, maintain, and improve as appropriate the existing hydro-electric power production and transmission equipment located outside the Depicted Area but within John Hay Air Station. Any major improvement thereof, however, shall be subject to agreement of the Base Commander and United States Commander.

e. The Philippines and United States are authorized, with respect to the Depicted Area, to exercise the rights granted to each in relation to what were heretofore known as "United States bases" under the provisions of the Military Bases Agreement of 1947, as previously amended (other than Article I, Article XXVI and Annexes A and B thereof) and as modified this date.

f. The Voice of America installations, as reflected in green on the map attached at Tab five, will be addressed, as appropriate, through separate Government-to-Government action.

A N N E X II

SUBIC NAVAL BASE

A. General

The boundaries of the Philippine Military Base known as Subic Naval Base and the United States Facility therein are portrayed on the map attached at Tab one.

B. Delineation of United States Facility and Its Extension

1. Industrial Area

a. The boundary of a portion of the United States Facility commonly referred to as the Industrial Area is shown in greater detail on the map attached at Tab two.

b. United States forces shall be authorized to use jointly with Philippine forces the existing building in the vicinity of the Main Gate, such as the Armed Forces Police Headquarters, the Pass Office, and the Main Gate Guard House, in accordance with procedures to be mutually agreed upon between the Base Commander and the United States Commander.

c. United States recreational areas/structures, Zumwalt Housing, and the MARS building, which are located outside of the United States Facility, will be relocated within the United States Facility. They will remain available for use by United States forces at their present location until so relocated. Relocation will be accomplished as the land sites are required for improvement by the Base Commander and in accordance with a phased schedule to be agreed upon by the Base Commander and the United States Commander.

d. Arrangements for the continued operation of transportation and banking services for Philippine and United States personnel in the Main Gate area shall be worked out by the Base Commander and the United States Commander.

2. Kalayaan Housing Area.

The map attached at Tab three portrays in greater detail the boundary of that portion of the United States Facility commonly referred to as the Kalayaan Housing Area.

3. San Miguel Communication Station.

a. San Miguel Naval Communication Station shall be an extension of Subic Naval Base and shall be under the command of the Base Commander. The United States Facility within the station shall be under the command of the United States Commander of the United States Facility at Subic Naval Base. The map attached at Tab four portrays the boundaries of the station and of United States Facility therein.

b. Activities within the station, including construction, shall be limited to those which do not interfere with United States communications.

C. Special Operating Arrangements.

1. Subic Bay Waters

a. The Base Commander shall administer and control Subic Bay waters.

b. The Philippine Government assures unimpeded access to, egress from, movement within, and operational use of the waters of Subic Bay by United States Government vessels and vessels chartered or engaged wholly or partially by or on behalf of the United States. The Philippine Government also assures United States' use of those anchorages depicted on the chart attached at Tab five, which are reserved for military use. The Base Commander and United States Commander shall develop and promulgate policies and procedures to carry out these assurances and to provide for appropriate use of the Depicted Reserved Waters (as identified in paragraph c below) by vessels of the Philippine Navy.

c. A portion of Subic Bay waters as depicted on the chart attached at Tab five shall be reserved for United States forces' use, for appropriate use by vessels of the Philippine Navy, and for such other uses as may be agreed upon by the Base Commander and the United States Commander. Within the Depicted Reserved Waters, the United States Commander is authorized to control movement and operation of ships and waterborne craft, to assign priorities of anchorages, berths and moorings, and to perform such other activities as may be appropriate for efficient and safe navigation and unhampered operation of United States forces.

d. The Base Commander shall be responsible for the security of the Subic Bay waters outside of the Depicted Reserved Waters. The United States Commander shall be responsible for the security of the Depicted Reserved Waters. Participation by Armed Forces of the Philippines personnel in the security activities of United States forces and by United States forces' personnel in the security activities of the Armed Forces of the Philippines shall be provided for in that portion of the agreed security plan relating to Subic Bay waters.

e. The United States Commander is authorized to maintain the channels within Subic Bay and to operate, maintain and improve United States navigational aids within Subic Naval Base. The channels outside the Depicted Reserved Waters are delineated on the chart attached at Tab five.

f. The Base Commander shall exercise port control except in the Depicted Reserved Waters, the port control of which shall be exercised by the United States Commander. The Base Commander and the United States Commander shall closely coordinate and the port control office shall be jointly manned in order to ensure that relevant policies and procedures are implemented effectively at the working level.

2. Grande Island

The Base Commander shall administer Grande Island (including Chiquita Island) which is reserved for military use. The United States Commander is authorized to operate, maintain, improve and secure United States existing operational and recreational equipment, structures and improvements and sales outlets, pursuant to Article XVIII of the Military Bases Agreement on the island. Activities within Grande Island, including construction, shall be limited to those which do not interfere with United States operational and recreational activities on the island. In addition to United States personnel, Armed Forces of the Philippines personnel posted in Subic Bay and such other personnel of the Armed Forces of the Philippines as may be agreed upon by the Base Commander and the United States Commander may use United States recreational activities on Grande Island. Such use by Armed Forces of the Philippines personnel will be in accordance with procedures to be agreed upon by the Base Commander and the United States Commander. The agreed security plan shall provide for joint security on the island.

3. Subic Watershed

a. The Base Commander shall administer the Subic Watershed as depicted on the map attached at Tab six. The Depicted Watershed Area shall be reserved for the water needs of the base and for such other uses as may be agreed by the Base Commander and the United States Commander and its forest resources shall be protected and preserved in conformity with the provisions set forth below.

b. The Base Commander and United States Commander shall agree upon a Joint Forest Resources Management Program for the Depicted Watershed Area. The program shall include, inter alia, provisions for preservation and protection of existing forest resources. The United States Commander is authorized to carry out the agreed Joint Forest Resources Management Program.

c. The Base Commander shall be responsible for security external to the Depicted Watershed Area. The United States Commander shall be responsible for the internal security of the Depicted Watershed Area. The security activities of Philippine and United States forces in fulfillment of these respective responsibilities shall be carried out in accordance with the agreed security plan for the Subic Naval Base which shall provide for participation by personnel of the Armed Forces of the Philippines in the security activities of United States forces within the Depicted Watershed Area.

d. United States and Philippine forces are authorized to conduct troop training within the Depicted Watershed Area. United States forces are also authorized to conduct troop training within the Jad-Jad Watershed Area. Troop training within the Depicted Watershed Area and the Jad-Jad Watershed Area shall be conducted in a manner that will not harm the watersheds and their forest resources nor interfere with the conduct of the Joint Forest Resources Management Program.

e. The scheduling of troop training within the Depicted Watershed Area shall be the authorized function of the United States Commander. In this connection, the United States Commander shall coordinate closely with the Base Commander to insure, to the maximum extent possible, that the training requirements of Philippine and United States forces are satisfied. The actual utilization of the Depicted Area for troop training shall be reported monthly to the Base Commander by United States Commander. The scheduling of troop training within the Jad-Jad Watershed Area shall be the function of the Base Commander who shall coordinate closely with the United States Commander to insure, to the maximum extent possible, that the training requirements of Philippine and United States forces are satisfied.

f. Activities within the Depicted Watershed Area shall be limited to those appropriate to the maintenance, improvement, protection and security of the watershed and its forest resources and the conduct of troop training therein.

4. Zambales Amphibious Training Area

a. The Base Commander shall administer the Zambales Amphibious Training Area, as portrayed on the map attached at Tab seven, which is reserved for military training use of Philippine and United States forces.

b. The Base Commander shall ensure the continuous availability of the Amphibious Training Area for the use of Philippine and United States forces. The scheduling of the Training Area shall be the responsibility of the United States Commander. In this connection, the United States Commander shall coordinate closely with the Base Commander to insure, to the maximum extent possible, that the training requirements of Philippine and United States forces are satisfied. The actual utilization of the Training Area shall be reported monthly to the Base Commander by the United States Commander.

c. The Base Commander shall be responsible for the overall security of the Training Area. The agreed security plan shall provide for joint security of the Training Area when Philippine and United States forces are conducting joint training or when United States forces alone are using it.

d. The Base Commander and the United States Commander shall develop and promulgate agreed rules and procedures with respect to the utilization, safety, maintenance, and improvement of the Training Area.

e. Activities with the Training Area shall be limited to those appropriate to the utilization, safety, maintenance, improvement and security of the Training Area and to the conduct of military training therein.

ANNEX III

POWERS AND RESPONSIBILITIES OF THE BASE COMMANDERS AND THE RELATED POWERS AND RESPONSIBILITIES OF THE UNITED STATES COMMANDERS

1. The bases covered by this Agreement are Philippine military bases and shall be under the command of Philippine Base Commander.

2. The United States Commanders shall exercise command and control over the United States Facility, over United States military personnel, over civilian personnel in the employ of the United States forces, over United States equipment and material, and over military operations involving United States forces.

3. In the performance of their duties, the Base Commanders and United States Commanders shall be guided by full respect for Philippine sovereignty on the one hand and the assurances of unhampered United States military operations on the other. They shall maintain close contact and coordination to ensure that the activities of the Philippine and United States forces within the bases are conducted in a manner consistent with the provisions of this Agreement. They shall promote cooperation, understanding and harmonious relations within the base and with the general public in the proximate vicinity thereof.

4. The Base Commanders shall formulate and issue plans, policies and implementing directives concerning security, administration, maintenance of order and related matters applicable throughout the base. However, on matters affecting the United States Facility, United States military personnel, civilian personnel in the employ of the United States forces, dependents of those personnel, operations of United States forces, or United States equipment or material, such plans, policies and implementing directives shall be agreed upon with the United States Commanders. The United States Commanders shall likewise issue such plans, policies and implementing directives to United States forces, to civilian personnel in the employ of United States forces, and to dependents of those personnel.

5. The Base Commanders and the United States Commanders shall create such instrumentalities as may be necessary to assist them in the formulation and coordination of such agreed plans, policies and implementing directives mentioned in paragraph 4 above.

6. The Base Commanders shall be responsible for the overall security of the base; however, the United States Commanders shall be responsible for the security of the United States Facility and certain depicted areas as provided for in this Agreement. The Base Commanders shall be responsible for control of base gates in accordance with mutually agreed rules and procedures. The United States Commanders shall participate in the security activities at the base gates and may provide security personnel to assist in the conduct of such security activities in accordance with mutually agreed rules and procedures. The United States Commanders may participate in security activities within the base but outside the United States Facility and off the base in accordance with mutually agreed procedures. The Base Commanders and United States Commanders shall contribute security forces to carry out the agreed security plan.

7. Except as otherwise provided, to the extent that a matter or issue concerns dealings by or with Philippine authorities relating to the responsibility of the Philippines with respect to the administration, security, operations and control of the base, the Base Commanders or their duly designated representative shall be the initial point of contact. The United States Commanders or their duly designated representative shall be the initial point of contact on matters or issues relating to United States forces, United States military personnel, civilian personnel in the employ of United States forces, or dependents of those personnel, and on matters or issues relating to the United States Facility or United States equipment or material.

8. The Base Commander of Clark Air Base shall station a Liaison Officer at Clark Radar Approach Control and shall designate a representative who shall have free access to the Clark Air Base Control Tower. The Base Commanders of Clark Air Base and Subic Naval Base shall each station a representative at the respective Base Operations Offices of the United States Facility at Clark Air Base and Subic Naval Base.

9. The Base Commanders shall coordinate the activities of officials of the Philippine civil agencies performing functions at the base or at the United States Facility. Appropriate administrative arrangements for these officials at the United States Facility shall be agreed upon between the Base Commanders and United States Commanders.

10. The Base Commander and United States Commander shall undertake engineering consultations on any major construction or major alteration which results in substantial changes to existing construction within the bases and shall see to it that such construction or alteration will not hamper the operations of Philippine or United States forces.

11. An inventory listing of buildings and other permanent constructions within the United States Facility will be provided by the United States Commanders to the Base Commanders. This inventory listing will be jointly reviewed on an annual basis to ensure its accuracy.

12. The Base Commanders and the United States Commanders shall cooperate in the prevention and control of drug abuse and trafficking in dangerous drugs and other contraband within the base.

ANNEX IV

TABONES TRAINING COMPLEX

1. The Tabones Training Complex shall continue to be made available to United States forces on a combined use basis pursuant to the agreement effected by exchange of notes of December 22, 1965 and existing operating procedures established through the Mutual Defense Board.

2. The Tabones Training Complex, also referred to as the Nazasa Bay—Tabones Island impact area plus the Southwest Zambales—Troop Training Area, as depicted on the map attached at the Tab, is not part of the Subic Naval Base but is reserved for military training of Philippine and United States forces. The Training Complex

specifically consists of the Tabones Islet Target Area, Los Frailes Target Area, Leon Creek Naval Gunfire Range, Wild Horse Creek Close Air Support Range, and the Southwest Zambales—Troop Training Area.

3. The scheduling of the use of the various training areas within the Training Complex shall be the joint function of the Base Commander and United States Commander in accordance with the following procedures. The Base Commander shall, in addition to his other functions, perform the functions which were previously assigned to the Philippine Military Liaison Officer, Subic, with respect to the Training Complex. The Base Commander shall ensure the continuous availability of the various training areas within the Training Complex for the use of Philippine and United States forces. The Base Commander shall, upon the request of the United States Commander, affirm the availability of the training areas on a quarterly basis to the United States Commander and shall advise the United States Commander of the training requirements of the Armed Forces of the Philippines for that quarter. The United States Commander is authorized to accomplish the detailed scheduling of the use of the training areas, including the requirements of the Armed Forces of the Philippines. The actual utilization of those areas shall be reported monthly to the Base Commander by the United States Commander.

4. The Base Commander and United States Commander shall cooperate closely to ensure the safe and efficient use of the Training Complex. Any change to existing operating procedures for the use of the Training Complex shall be accomplished through the Mutual Defense Board.

AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA CONCERNING THE STATUS OF THE REGIONAL RELAY COMMUNICATIONS FACILITY. EXCHANGE OF NOTES IN MANILA 7 JANUARY 1979; ENTERED INTO FORCE 7 JANUARY 1979.

I

EMBASSY OF THE
UNITED STATES OF AMERICA
Manila, January 7, 1979

No. II

Excellency:

I have the honor to refer to the exchange of Notes and Implementing Arrangements concluded today between our Governments regarding modification of the Philippine-United States Military Bases Agreement of 1947, as previously amended.

My Government wishes to confirm the understanding arrived at during the recent discussions that, noting the location of the Regional Relay Communications Facility within the military reservation known as the Clark Air Base which was previously a U.S. base; and recognizing the desirability of defining the precise status of the Regional Relay Communications Facility subsequent to the modification of the Military Bases Agreement; have agreed that the Regional Relay Communications Facility shall henceforth be a U.S. facility and subject to the authority and responsibility of the Embassy of the United States of America in the Philippines and that the facility and its personnel shall enjoy the rights and privileges of the Vienna Convention on Diplomatic Relations, to which both our Governments are parties.

It is further understood that the United States Government may continue to utilize the Regional Relay Communications Facility, as depicted on the map attached to the implementing arrangements referred to above, as before.

Finally, it is understood that in every fifth anniversary year from the date of this exchange of Notes and until the termination of the Military Bases Agreement or such other termination date as may be agreed upon, there shall be begun and completed a complete and thorough review of this Agreement.

If the foregoing is agreeable to the Government of the Philippines, I have the honor to propose that this Note and your Note in reply indicating concurrence shall constitute an agreement between the two Governments concerning the aforementioned Regional Relay Communications Facility, effective on the date of your reply.

Accept, Excellency, the renewed assurances of my highest consideration.

RICHARD W. MURPHY
Ambassador

His Excellency
Carlos P. Romulo
Minister for Foreign Affairs
Manila

II

REPUBLIKA NG PILIPINAS
MINISTRI NG UGNAYANG PANLABAS
MAYNILA

January 7, 1979

Excellency:

I have the honor to acknowledge the receipt of Your Excellency's Note of January 7, 1979, which reads as follows:

"Excellency:

"I have the honor to refer to the exchange of Notes and implementing arrangements concluded today between our Governments regarding modification of the Philippine-United States Military Bases Agreement of 1947, as previously amended.

"My Government wishes to confirm the understanding arrived at during the recent discussions that, noting the location of the Regional Relay Communications Facility within the military reservation known as the Clark Air Base which was previously a U.S. base; and recognizing the desirability of defining the precise status of the Regional Relay Communications Facility subsequent to the modification of the Military Bases Agreement; have agreed that the Regional Relay Communications Facility shall henceforth be a U.S. facility and subject to the authority and responsibility of the Embassy of the United States of America in the Philippines and that the facility and its personnel shall enjoy the rights and privileges of the Vienna Convention on Diplomatic Relations, to which both our Governments are parties.

"It is further understood that the United States Government may continue to utilize the Regional Relay Communications Facility, as depicted on the map attached to the implementing arrangements referred to above, as before.

"Finally, it is understood that in every fifth-anniversary year from the date of this exchange of Notes and until the termination of the Military Bases Agreement or such other termination date as may be agreed upon, there shall be begun and completed a complete and thorough review of this Agreement.

"If the foregoing is agreeable to the Government of the Philippines, I have the honor to propose that this Note and your Note in reply indicating concurrence shall constitute an agreement between the two Governments concerning the aforementioned Regional Relay Communications Facility, effective on the date of your reply."

I am pleased to inform Your Excellency that the understandings contained in the above-quoted Note are acceptable to my Government and that Your Excellency's Note above-quoted and this reply thereto shall constitute an Agreement between our two Governments effective January 7, 1979.

Accept, Excellency, the renewed assurances of my highest consideration.

CARLOS P. ROMULO
Minister for Foreign Affairs

His Excellency

Richard W. Murphy

Ambassador of the United States of America

Manila, Philippines
January 7, 1979

Dear General Romulo:

In connection with the agreement effected by exchange of notes as of this date concerning the United States Regional Relay Communications Facility, please be advised that the United States Government assures that it shall expeditiously consider on a priority basis the pending request formally submitted to the Department of State for the establishment of direct communications between the Philippines and its Embassy in Washington, D.C. under terms consistent with United States laws.

Accordingly, the United States will be pleased to work with the Embassy of the Republic of the Philippines in Washington, D.C. or such Philippine Government officials as you may designate in an effort to meet such communication requirements of the Philippine Government.

With respect,

RICHARD W. MURPHY
Ambassador

His Excellency

Carlos P. Romulo,

Minister for Foreign Affairs,
Manila.

**AGREEMENT CONFIRMING THE CONTINUANCE IN FORCE BETWEEN THE
PHILIPPINES AND THE UNITED STATES OF AMERICA OF THE AGREE-
MENT REGARDING RADIO BROADCASTING FACILITIES, DATED MAY 6,
1963. AND ITS AMENDMENTS. EXCHANGE OF NOTES IN MANILA 7
JANUARY 1979: ENTERED INTO FORCE 7 JANUARY 1979.**

I

**EMBASSY OF THE
UNITED STATES OF AMERICA**

Manila, January 7, 1979

No. 10

Excellency:

I have the honor to refer to the exchange of Notes and Implementing Arrangements concluded today between our Governments regarding modification of the Philippines—United States Military Bases Agreement of 1947, as previously amended, and to the Agreement between the Republic of the Philippines and the Government of the United States regarding Radio Broadcasting Facilities, dated May 6, 1963 and its amendments.

My Government wishes to confirm the understanding arrived at between our two Governments that notwithstanding the aforementioned modification of the Philippine—United States Military Bases Agreement of 1947, the aforementioned Agreement of May 6, 1963 regarding Radio Broadcasting Facilities shall continue to be in full force and effect.

If the foregoing is acceptable to the Government of the Philippines, I have the honor to propose that this Note and your Note in reply indicating concurrence shall constitute an Agreement between the two Governments concerning the aforementioned Radio Broadcasting Facilities effective on the date of your reply.

Accept, Excellency, the renewed assurances of my highest consideration.

RICHARD W. MURPHY
Ambassador

His Excellency
Carlos P. Romulo
Minister for Foreign Affairs
Manila

II

REPUBLIKA NG PILIPINAS
MINISTRI NG UGNAYANG PANLABAS
MAYNILA

7 January 1979

Excellency:

I have the honor to acknowledge the receipt of your Excellency's Note of January 7, 1979, which reads as follows:

"Excellency:

"I have the honor to refer to the exchange of Notes and Implementing Philippines and the Government of the United States regarding Radio Arrangements concluded today between our Governments regarding modification of the Philippine-United States Military Bases Agreement of 1947, as previously amended, and to the Agreement between the Republic of the Broadcasting Facilities, dated May 6, 1963, and its amendments.

"My Government wishes to confirm the understanding arrived at between our two Governments that notwithstanding the aforementioned modification of the Philippine-United States Military Bases Agreement of 1947, the aforementioned Agreement of May 6, 1963 regarding Radio Broadcasting Facilities shall continue to be in full force and effect.

"If the foregoing is acceptable to the Government of the Philippines, I have the honor to propose that this Note and your Note in reply indicating concurrence shall constitute an Agreement between the two Governments concerning the aforementioned Radio Broadcasting Facilities effective on the date of your reply.

"Accept, Excellency, the renewed assurances of my highest consideration."

I am pleased to inform Your Excellency that the understandings contained in the above-quoted Note are acceptable to my Government, and that Your Excellency's Note above-quoted and this reply thereto shall constitute an Agreement between our two Governments effective January 7, 1979.

Accept, Excellency, the renewed assurances of my highest consideration.

CARLOS P. ROMULO
Minister for Foreign Affairs

His Excellency
Richard W. Murphy
Ambassador of the United States of America
Manila

AGREEMENT CONFIRMING THE CONTINUANCE IN FORCE BETWEEN THE PHILIPPINES AND THE UNITED STATES OF AMERICA OF THE SPECIAL ARRANGEMENTS REGARDING THE SITES AND ACTIVITIES OF THE FOLLOWING: (A) THE PIPELINE FROM SUBIC BAY NAVAL BASE TO CLARK AIR BASE; (B) THE SEISMIC RESEARCH SITE WITHIN THE PHILIPPINE AIR STATION, DEL MONTE, BUKIDNON; AND (C) THE COMMUNICATION SITE WITHIN THE PHILIPPINE ARMY INSTALLATION, MT. CABUYAO, BENGUET. EXCHANGE OF NOTES IN MANILA 7 JANUARY 1979; ENTERED INTO FORCE 7 JANUARY 1979.

I

EMBASSY OF THE
UNITED STATES OF AMERICA

Manila, January 7, 1979

No. 8

Excellency:

I have the honor to refer to the exchange of Notes and Implementing Arrangements concluded today between our Governments regarding modification of the Philippines-United States Military Bases Agreement of 1947, as previously amended.

The United States proposes that subject to the Military Bases Agreement of 1947, as previously amended and as modified this date, the special arrangements regarding the sites and activities listed below remain in effect, on the same terms and conditions which have heretofore been applicable to them:

- A. The pipeline from Subic Bay Naval Base to Clark Air Base.
- B. The seismic research site within the Philippine Air Station of Del Monte, in Bukidnon Province.
- C. The communications site within the Philippine Army installation at Mt. Cabuyao, in Benguet Province.
- D. Those other sites or activities presently the subject of agreement between the parties, which have not been referred to in the Military Bases Agreement of 1947, as previously amended and as modified on this date, or listed herein.

If the foregoing is acceptable to the Government of the Philippines, I have the honor to propose that this Note and your Note in reply confirming acceptance constitute an Agreement between our Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

RICHARD W. MURPHY
Ambassador

His Excellency
Carlos P. Romulo
Minister for Foreign Affairs
Manila

II

REPUBLIKA NG PILIPINAS
MINISTRI NG UGNAYAN PANLABAS
MAYNILA

7 January 1979

Excellency:

I have the honor to acknowledge receipt of your Excellency's Note of 7 January 1979 which read as follows:

"Excellency:

"I have the honor to refer to the exchange of Notes and Implementing Arrangements concluded today between our Governments regarding modification of the Philippines-United States Military Bases Agreement of 1947, as previously amended.

"The United States proposes that subject to the Military Bases Agreement of 1947, as previously amended and as modified this date, the special arrangements regarding the sites and activities listed below remain in effect, on the same terms and conditions which have heretofore been applicable to them:

- A. The pipeline from Subic Bay Naval Base to Clark Air Base.
- B. The seismic research site within the Philippine Air Station of Del Monte, in Bukidnon Province.
- C. The Communication site within the Philippine Army installation at Mt. Cabuyao, in Benguet Province.
- D. Those other sites or activities presently the subject of agreement between the parties, which have not been referred to in the Military Bases Agreement of 1947, as previously amended and as modified on this date, or listed herein.

"If the foregoing is acceptable to the Government of the Philippines, I have the honor to propose that this Note and your Note in reply confirming acceptance constitute an Agreement between our Governments.

"Accept Excellency the renewed assurances of my highest consideration."

I am pleased to inform Your Excellency that the foregoing proposal is acceptable to my Government, and that Your Excellency's Note above-quoted and this reply thereto should constitute an Agreement between our two Governments effective on this date.

Accept, Excellency, the renewed assurances of my highest consideration.

CARLOS P. ROMULO
Minister for Foreign Affairs

His Excellency
Richard W. Murphy
Ambassador of the United States of America
Manila

SMOOTH TRANSITION IN CASE U.S. VACATES FACILITIES

Manila, Philippines
January 7, 1979

Dear General Romulo:

In connection with the agreement reached today between our two governments amending the Military Bases Agreement, I am pleased to confirm that the United States Government will take appropriate measures to ensure that there would be a smooth transition in the event that United States forces were to vacate any of the facilities which its forces use in the Philippines. The successful conclusion of our recent negotiations to amend the Military Bases Agreement ensures a continued United States military presence at these facilities under terms fully reflecting Philippine sovereignty. The United States Government anticipates that the close contact and coordination called for between the Philippine Base Commander and the United States Facility Commander in the amendment will result in a mutually beneficial exchange of management practices and techniques concerning base activities.

The United States Government shares your view that it would be desirable to have an agreed summary record of the negotiations which led to the present amendment. The United States Government is prepared to collaborate with representatives of the Philippine Government in developing such a record as soon as practicable. We will designate a representative or representatives to do so. We believe this process should not delay implementation of the present amendment.

Please accept, Excellency, my highest regards on this historic occasion.

Sincerely,

RICHARD W. MURPHY
Ambassador

Appendix II

MALACANANG Manila

GENERAL ORDER NO. 60

FURTHER AMENDING GENERAL ORDER NO. 2

WHEREAS, since the proclamation of martial law on September 21, 1972, the Secretary of National Defense has been authorized to order the arrest of individuals and their detention for the offenses enumerated in General Order No. 2, dated September 22, 1972, and its amendments;

WHEREAS, it is necessary that the military authorities should be able to better concentrate their efforts and attention on their primary functions;

WHEREAS, it is believed now appropriate to limit the authority of the Secretary of National Defense to issue arrest, search and seizure orders, as a rule, to offenses falling within the exclusive jurisdiction of military tribunals.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby decree the following as part of the law of the land:

SECTION 1. The authority of the Secretary of National Defense to effect, *upon probable cause*, the arrest, detention, search and seizure of persons and/or things thru an arrest, search and seizure orders, commonly known as ASSO, shall henceforth be limited, generally, to offenses over which the military tribunals have exclusive jurisdiction as redefined in General Order No. 59 dated June 24, 1977.

SECTION 2. The Secretary of National Defense may, for such limited period as may be determined by him, and with the approval of the President, authorize other responsible officials of the Department of National Defense or officers of the Armed Forces of the Philippines to exercise the authority conferred upon him under Section 1 hereof. The issuance, execution and return of ASSOs issued by such other officials/officers shall be under the supervision and control of the Secretary of National Defense.

SECTION 3. Notwithstanding the provisions of Section 1 hereof, the Secretary of National Defense may cause the arrest and detention of persons or the search of places, persons, papers or effects, or the seizure of things, for crimes which although not cognizable by the military tribunals likewise have the effect of undermining national security or public order as determined by him.

SECTION 4. Persons arrested by virtue of an ASSO issued under this General Order shall be kept in detention until otherwise ordered released by me or the Secretary of National Defense who may delegate his authority to release the persons so arrested under such rules and regulations as he may prescribe.

SECTION 5. Nothing in this Order shall operate to invalidate ASSOs previously issued by me or by the Secretary of National Defense. Under such rules

and regulations that the Secretary of National Defense shall promulgate, the custody and disposition of the persons arrested and detained by virtue thereof shall be transferred to the proper civil courts if the offenses for which they were arrested pertain to the jurisdiction of the latter, pursuant to the provisions of General Order No. 59 dated June 24, 1977.

SECTION 6. Any provision of existing laws, decrees, general orders, rules and regulations inconsistent with this Order is hereby repealed or modified accordingly.

SECTION 7. This Order shall take effect immediately.

Done in the City of Manila, this 24th day of June in the year of Our Lord, nineteen hundred and seventy-seven.

(Sgd.) FERDINAND E. MARCOS

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Assistant

Appendix III

OFFICE OF THE PRESIDENT
OF THE PHILIPPINES
Malacañang

LETTER OF INSTRUCTION NO. 772

SUBJECT: Investigation, Filing of Criminal Cases and Issuance of Arrest, Search and Seizure Orders

TO: The Ministry of National Defense
The Ministry of Justice
And All Others Concerned

In line with the announced policy towards normalization, henceforth:

1. All criminal cases to be filed by the Judge Advocate General or by any personnel of the Ministry of National Defense and/or the military establishment shall be referred in the first instance to the Civil Courts and no longer to the Military Commission.

2. No arrest, search and seizure orders (ASSO) shall be issued under the emergency powers *without prior clearance of the President/Prime Minister*.

3. All investigations shall be conducted in strict observance of constitutional processes, recognizing the rights of the accused, respondents and witnesses. These investigations shall be done quietly, without fanfare and undue publicity.

Done in the City of Manila, this 27th day of November, in the year of Our Lord, nineteen hundred and seventy-eight.

(Sgd.) FERDINAND E. MARCOS

Appendix IV

Political Freedom Index

Continent/Country	Political Freedom Index
Mozambique	0
Madagascar	33
Guinea Bissau	17
Eq. Guinea	0
Burundi	8
<i>Mixed Economy:</i>	
Asia: Saudi Arabia	17
Iran	25
Yemen	—
Trucial Oman	—
Muscat and Oman	—
Afghanistan	8
Pakistan	33
India	—
Bangladesh	33
Nepal	25
Bhutan	50
Sri Lanka	—
Malaysia	58
Singapore	33
Indonesia	33
Turkey	—
Continent/Country	Political Freedom Index
North and South America:	
Mexico	50
Dominican Republic	67
Colombia	—
Ecuador	33
Peru	33
Bolivia	33
Brazil	47
Uruguay	17
Africa:	
Morocco	58
Mauritania	17
Senegal	50
Sierra Leone	33
Tunisia	25
Niger	8
Upper Volta	42
Ghana	25

	Togo	8
	Nigeria	42
	Chad	8
Continent/Country		Political Freedom Index
	Cameroon	25
	Sudan	25
	Central African Republic	0
	Zaire	8
	Uganda	0
	Kenya	33
	Botswana	—
Capitalist:		
Asia:	South Korea	33
	Taiwan	42
	Philippines	33
North and South America:		
	Honduras	42
	Nicaragua	33
	Panama	25
	Haiti	8
	Paraguay	25
	Chile	17
	Argentina	17
	Guatemala	50
Continent/Country		Political Freedom Index
Africa:		
	Liberia	33
	Ivory Coast	25
	Gabon	17
	Malawi	8
	Zimbabwe	25
	South Africa	25
	Southwest Africa	—
	Swaziland	33
	Lesotho	42

Appendix V

DISTRIBUTION OF STATES WITH STRONG GOVERNMENT BY ECONOMIC SYSTEM, BY CONTINENT

A careful review of independent states all over the world reveals that regardless of economic system, a great majority of these states fall under the political definition of *strong or authoritarian governments*. Strong or authoritarian government is here defined as one with centralized authority, and may fall under different categories: the "Presidential democracy" of the late Charles de Gaulle; the single-party system of the Marxist-Leninist (communist); the military regimes of South America; or the matriarchal government of Indira Gandhi's India.

What is common to all these countries therefore *is not the economic but the political system* — all are authoritarian or strong governments, the legitimacy of which cannot be questioned.

Below is a list of countries with authoritarian or strong governments having different economic systems.

The following are countries with Marxist-Leninist economic systems having authoritarian governments:

Asia	: Laos	China
	Cambodia	Mongolia
	Vietnam	North Korea
Europe	: USSR	Yugoslavia
	Albania	Czechoslovakia
	Poland	Romania
	Bulgaria	

South America: Cuba

The following are Third World Socialist countries having authoritarian governments:

Asia	: Burma	Syria
	Iraq	South Yemen
North and South America:	Guyana	
Africa	: Benin	Tanzania
	Tunisia	Angola
	Libya	Zambia
	Egypt	Mozambique
	Mali	Madagascar
	Congo	Guinea Bissau
	Ethiopia	Eq. Guinea
	Somalia	Burundi

The following are countries having authoritarian governments, whose economy is considered mixed (free enterprise economy with strong development planning component):

Asia	: Saudi Arabia Iran Yemen Trucial Oman Muscat and Oman Afghanistan Pakistan India	Bangladesh Nepal Bhutan Sri Lanka Malaysia Singapore Indonesia Turkey
North and South America:	Mexico Dominican Republic Colombia Ecuador	Peru Bolivia Brazil Uruguay
Africa	: Morocco Mauritania Senegal Sierra Leone Tunisia Niger Upper Volta Ghana Togo	Nigeria Chad Cameroon Sudan Central African Republic Zaire Uganda Kenya Botswana

The following are capitalist countries having authoritarian governments:

Asia	: South Korea Taiwan Philippines	
North and South America:	Honduras Nicaragua Panama Haiti	Paraguay Chile Argentina Guatemala
Africa	: Liberia Ivory Coast Gabon Malawi Zimbabwe	South Africa Southwest Africa Swaziland Lesotho

Appendix VI

PARLIAMENTARY BILL NO. 885

Republic of the Philippines
BATASANG PAMBANSA

SECOND REGULAR SESSION

Begun and held in Quezon City, Metropolitan Manila, on Monday,
the twenty-third day of July, nineteen hundred and seventy-nine

—oOo—

(BATAS PAMBANSA BLG. 51)

AN ACT PROVIDING FOR THE ELECTIVE OR APPOINTIVE POSITIONS IN VARIOUS LOCAL GOVERNMENTS AND FOR OTHER PURPOSES.

Be it enacted by the Batasang Pambansa in session assembled:

SECTION 1. Local Elective Officials.—There shall be in each province, city, municipality and municipal district such elective and appointive local officials as may be provided in this Act.

SEC. 2. *Provinces.*—There shall be in each province a governor, a vice-governor, elective members of the Sangguniang Panlalagiwan, all of whom shall be elected by the qualified voters in the province, and members of the Sangguniang Panlalawigan representing the Barangays and the Kabaaang Barangay who shall be appointed by the President (Prime Minister).

The Sangguniang Panlalawigan of each province shall be composed of the governor as chairman and presiding officer, the vice-governor as presiding officer *pro tempore*, the elective Sangguniang Panlalawigan members, and the appointive members consisting of the president of the provincial association of Barangay Councils, and the president of the provincial federation of the Kabataang Barangay.

Each province shall have six (6) elective Sangguniang Panlalawigan members: *Provided*, That provinces with a population of less than one hundred thousand inhabitants as reflected in the records of the last population census shall have four (4) elective Sanggunian members: and *Provided, further*, That provinces with a population of more than one million inhabitants as reflected in the records of the last population census shall have eight (8) elective Sanggunian members.

SEC. 3. *Cities.*—There shall be in each city such elective local officials as provided in their respective charters, including the city mayor, the city vice-mayor, and the elective members of the Sangguniang Panglungsod, all of whom shall be elected by the qualified voters in the city. In addition thereto, there shall be appointive Sangguniang Panglungsod members consisting of the president of the city association of Barangay Councils, the president of the city federation of the Kabataang Barangay, and one representative each from the agricultural and industrial labor sectors who shall be appointed by the President (Prime Minister) whenever, as determined

by the Sangguniang Panglungsod, said sectors are of sufficient number in the city to warrant representation.

Until cities are reclassified into highly urbanized and component cities in accordance with the standards established in the Local Government Code as provided for in Article XI, Section 4 (1) of the Constitution, any city now existing with an annual regular income derived from infrastructure and general funds of not less than forty million pesos (P40,000,000.00) at the time of the approval of this Act shall be classified as a highly urbanized city. All other cities shall be considered components of the provinces where they are geographically located.

The City of Baguio, because of its special functions as the summer capital of the Philippines, shall be classified as a highly urbanized city irrespective of its income.

The registered voters of a component city may be entitled to vote in the election of the officials of the province of which that city is a component, if its charter so provides. However, voters registered in a highly urbanized city, as hereinabove defined, shall not participate nor vote in the election of the officials of the province in which the highly urbanized city is geographically located.

SEC. 4. Municipalities and Municipal Districts.—There shall be in each municipality and municipal district a municipal mayor, a municipal vice-mayor, and elective members of the Sangguniang Bayan, all of whom shall be elected by the qualified voters in the municipality or municipal district. In addition thereto, there shall be appointive Sangguniang Bayan members consisting of the president of the municipal association of Barangay Councils, the president of the municipal federation of the Kabataang Barngay, and one representative each from the agricultural and industrial labor sectors who shall be appointed by the President (Prime Minister) whenever, as determined by the Sangguniang Bayan, said sectors are of sufficient number in the municipality or municipal district to warrant representation, after consultation with associations and persons belonging to the sector concerned.

The Sangguniang Bayan shall be composed of the municipal mayor who shall be the chairman and presiding officer, the municipal vice-mayor who shall be the presiding officer *pro tempore*, the elective members of the Sangguniang Bayan, and the members appointed by the President (Prime Minister) consisting of the president of the municipal association of Barangay Councils, the president of the Kabataang Barangay municipal federation, and one representative each from the agricultural and industrial labor sectors.

In the case of municipalities, there shall be eight (8) elective Sangguniang Bayan members, while in the case of municipal districts there shall be six (6) elective Sangguniang Bayan members.

SEC. 5. Powers, Duties and Functions.—The powers, duties and functions of the local elective and appointive officials hereinabove mentioned shall be governed by the provisions of existing laws.

SEC. 6. Compensation.—The vice-governor, vice-mayor and other elective and appointive members of the Sanggunians at all levels shall be entitled to receive such salaries, allowances and other emoluments as may be determined by the Joint

Commission on Local Government Personnel Administration as provided for in Presidential Decree No. 1136.

SEC. 7. Term of Office.—Unless, sooner removed for cause, all local elective officials hereinabove mentioned shall hold office for a term of six (6) years, which shall commence on the first Monday of March 1980.

In the case of the members of the Sanggunian representing the association of Barangay Councils and the president of the Federation of Kabataang Barangay, their terms of office shall be co-terminous with their tenure as president of their respective association and federation.

The foregoing notwithstanding, in no case shall the term of office of the appointive members go beyond the end of the term of office of the elective members.

SEC. 8. Succession to the Office of Governor, City or Municipal Mayor.—In case of a permanent vacancy that arises when a governor, city or municipal mayor refuses to assume office, fails to qualify, dies, is convicted by final judgment of a crime involving moral turpitude, resigns, is permanently incapacitated, or has been absent without authorization for more than three (3) consecutive months, the vice-governor, city vice-mayor, or municipal vice-mayor, as the case may be, shall assume the office.

In case the vice-governor, city or municipal vice-mayor, as the case may be, likewise fails to qualify, dies, or is convicted by final judgment of a crime involving moral turpitude, resigns, is permanently incapacitated, or has been absent without authorization for more than three (3) consecutive months, the elected Sanggunian member who obtained the highest number of votes will succeed within forty-eight (48) hours from the time the vacancy occurs.

In case of temporary incapacity of the governor, city or municipal mayor to perform his duties on account of illness or authorized absence from his post, he shall designate an officer-in-charge from among the provincial, city or municipal officials, as the case may be, except the private secretary or the secretary of the corresponding Sanggunian. Said officer-in-charge shall exercise the powers, duties and functions of the temporarily incapacitated or absent governor, city or municipal mayor, except the power to preside over meetings of the Sanggunian concerned which shall devolve upon the vice-governor or the vice-mayor, as the case may be, and the power to appoint, suspend, or dismiss employees, or to enter into any contract for and in behalf of the province, city or municipality, as the case may be, for a period corresponding to the absence or illness of the incumbent or for a period of not more than three (3) months, whichever is shorter: *Provided, however,* That if the designation is necessary beyond such period, the vice-governor or vice-mayor or in his default any member of the Sanggunian concerned shall be designated as officer-in-charge.

If for any reason whatsoever, the governor or city mayor fails or is unable to designate an officer-in-charge within a period of forty-eight (48) hours due to temporary incapacity, the officer-in-charge shall be designated by the Minister of Local Government and Community Development: *Provided,* That in the case of failure to designate by the municipal mayor, the officer-in-charge shall be designated by the Governor.

The designation hereinabove referred shall automatically be deemed terminated upon the assumption of office by the incumbent following a written notice served upon the Sanggunian and the officer-in-charge.

Any designation made by a governor or mayor before the suspension from office shall automatically terminate upon the effectivity of the order of suspension.

SEC. 9. *Applicability.*—The provisions of this Act shall apply to existing (see copy).

SEC. 10. *Repealing Clause.*—All other acts, decrees, executive orders or part or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 11. *Effectivity.*—This Act shall take effect upon its approval.

Approved:

QUERUBE C. MAKALINTAL
Speaker

This Act was passed by the Batasang Pambansa on December 22, 1979.

ANTONIO M. DE GUZMAN
Secretary

Approved: December 22, 1979

FERDINAND E. MARCOS
President of the Philippines

Appendix VII

PARLIAMENTARY BILL NO. 886

Republic of the Philippines
B A T A S A N G P A M B A N S A

SECOND REGULAR SESSION

Begun and held in Quezon City, Metropolitan Manila, on Monday,
the twenty-third day of July, nineteen hundred
and seventy-nine

—o0o—

(BATAS PAMBANSA BLG. 52)

AN ACT GOVERNING THE ELECTION OF LOCAL GOVERNMENT OFFICIALS.

Be it enacted by the Batasang Pambansa in session assembled:

SECTION 1. *Election of Certain Local Officials.*—There shall be an election of provincial governors, provincial vice-governors, city and municipal mayors, municipal district mayors, city and municipal vice-mayors, municipal district vice-mayors and members of each Sangguniang Panlalawigan, Sangguniang Panglungsod and Sangguniang Bayan, including the elective officials in the cities and municipalities of the Metropolitan Manila area. The election shall be held on January 30, 1980.

SEC. 2. *Assumption of Office.*—The local officials elected shall assume office within thirty (30) days after their proclamation, but not earlier than the first Monday of March 1980.

SEC. 3. *Qualifications.*—An elective local official must be a citizen of the Philippines; a qualified voter; resident of the district, municipality, city or province where he proposes to be elected, as the case may be, for at least six (6) months at the time of the filing of his certificate of candidacy; must be at least twenty-one (21) years of age on election day; and must be able to read and write.

SEC. 4. *Special Disqualifications.*—In addition to violations of Section 10 of Article XII (C) of the Constitution and disqualifications mentioned in existing laws, which are hereby declared as disqualifications for any of the elective officials enumerated in Section 1 hereof, any retired elective provincial, city or municipal official, who has received payment of the retirement benefits to which he is entitled under the law and who shall have been 65 years of age at the commencement of the term of office to which he seeks to be elected, shall not be qualified to run for the same elective local office from which he has retired.

Any person who has committed any act of disloyalty to the State, including acts amounting to subversion, insurrection, rebellion or other similar crimes, shall not be qualified to be a candidate for any of the offices covered by this Act, or to participate in any partisan political activity therein: *Provided*, That a judgment of conviction for any of the aforementioned crimes shall be conclusive evidence of such fact and the filing of charges for the commission of such crimes before a

civil court or military tribunal after preliminary investigation shall be *prima facie* evidence of such fact.

Any person who is a permanent resident of, or an immigrant to a foreign country, shall not be qualified to run for any elective office under this Act.

Any person who offers a false testimony against a candidate by reason whereof charges are filed against him for any of the offenses above-enumerated shall, upon conviction, be sentenced to suffer the penalty one degree higher than that provided for in the Revised Penal Code and without prejudice to actual, moral and exemplary damages.

SEC. 5. *Failure of Election.*—Whenever for any serious cause such as violence, terrorism, loss or destruction of election paraphernalia or records, *force majeure* and other analogous causes of such a nature that the holding of a free, orderly and honest election should become impossible, the election for a local office fails to take place on the date fixed by law, or is suspended, or such election results in a failure to elect, the Commission on Elections shall, on the basis of a verified petition and after due notice and hearing, call for the holding or continuation of the election as soon as practicable.

SEC. 6. *Election and Campaign Period.*—The election period shall be fixed by the Commission on Elections in accordance with Section 6, Article XII (C) of the Constitution. The period of campaign shall commence on December 29, 1979, and terminate on January 28, 1980.

SEC. 7. *Certificate of Candidacy.*—The sworn certificate of candidacy shall be filed in triplicate not later than January 4, 1980.

Certificates of candidacy for city, municipal and municipal district offices shall be filed with the election registrar concerned while certificates of candidacy for provincial offices shall be filed with the provincial election officer: *Provided, however,* That certificates of candidacy for the aforementioned offices may be filed directly with the Commission on Elections.

The election registrar and the provincial elections officer shall send the original copies of all certificates of candidacy received by them to the Commission not later than two (2) days after receipt thereof.

Except herein provided, the pertinent provisions of the 1978 Election Code on certificates of candidacy shall be applicable to the elections herein contemplated.

The Commission on Elections shall, *motu proprio*, or upon sworn petition of any voter, political party or candidate, after due notice and hearing, refuse to give due course to a certificate of candidacy if it is shown that the person filing the same does not possess all the necessary qualifications for the office concerned or is disqualified from running for said office as provided by law.

SEC. 8. *Registration of Voters.*—The provisions of the 1978 Election Code on registration of voters shall be applicable: *Provided, however,* That for the purpose of the election herein provided, the Commission on Elections is hereby empowered to order, when the necessity therefor arises, registration in the voting centers: *Provided, further,* That the number of days to be fixed for the purpose shall not

exceed two (2) days, the last day to be at least seven (7) days before the date of election.

SEC. 9. *Preparation of Official Ballots and Manner of Election.*—The preparation and printing of the official ballots and the manner of election shall be governed by the pertinent provisions of Presidential Decree No. 1296, otherwise known and cited as "The 1978 Election Code": *Provided*, That in case the Commission on Elections finds it impractical or due to lack of sufficient time to print in the official ballots the ticket of duly accredited or registered political parties or the names of individual candidates as required under the 1978 Election Code, the printing of the certified list of the official tickets and the names of individual candidates and the posting of copies thereof in each voting booth during the hours of voting shall be considered sufficient and substantial compliance with this requirement.

SEC. 10. *Provincial Board of Canvassers.*—The provincial board of canvassers shall be composed of the provincial election officer or a representative of the Commission, as chairman, and the provincial fiscal and the division superintendent of schools, as members: *Provided*, That in case there are two or more division superintendents of schools in a province, the Commission shall appoint as member the more senior superintendent who is not a native of the province.

SEC. 11. *City Board of Canvassers.*—The city board of canvassers shall be composed of a representative of the Commission who should be a lawyer, as chairman, and the city fiscal and the city superintendent of schools, as members.

SEC. 12. *Municipal or Municipal District Board of Canvassers.*—The municipal or municipal district board of canvassers shall be composed of a representative of the Commission as chairman, the municipal district treasurer and the most senior district supervisor or in his absence any ranking public official of the Ministry of Education in the municipality or municipal district as members.

SEC. 13. *Quorum.*—A majority of the members of the board of canvassers shall constitute a quorum.

SEC. 14. *Disqualification Due to Relationship.*—In no case shall the chairman and the members of the provincial, city, municipal, and municipal district boards of canvassers be related within the fourth civil degree of consanguinity or affinity to any of the candidates in their respective jurisdiction.

SEC. 15. *Incapacity and Substitute of Members of Board of Canvassers.*—In case of nonavailability, absence, disqualification due to relationship, or incapacity for any cause of the chairman or any member of the provincial, city, municipal or municipal district board of canvassers, the Commission shall authorize the substitute to assume.

SEC. 16. *Election Returns.*—The provisions of the 1978 Election Code on election returns shall be applicable to the elections herein contemplated: *Provided, however*, That the quadruplicate copies of the election returns shall be distributed as follows: the first copy of the election returns shall be delivered to the election registrar of the city, municipality or municipal district for transmittal to the Commission on Elections; the second copy shall be delivered to the provincial election officer for use in the provincial canvass; the third copy shall be delivered to the chairman of the

city, municipal or municipal district board of canvassers for use in the canvass by said body; the fourth copy shall be deposited in the compartment for valid ballots.

SEC. 17. Powers of the Commission on Elections.—The Commission on Elections shall, with respect to the election herein provided, exercise such powers and jurisdiction and discharge such duties as are conferred upon it by the Constitution and by law.

SEC. 18. Applicability.—The provisions of the 1978 Election Code, including all the provisions of Section 140, shall govern the election of local officials insofar as they are not inconsistent with the provisions of this Act: *Provided*, That in case the number of public schoolteachers available to serve in the citizens election committees is insufficient, the Commission on Elections may appoint private schoolteachers, members of the Katipunan ng mga Kabataang Kawani of the Civil Service Commission, ROTC cadets, or members of Barangay Councils.

SEC. 19. Funding.—The costs of conducting local elections shall be charged to the appropriations of the Commission on Elections authorized for the purpose and any deficiency thereof shall be covered by appropriations authorized for special priority activities of government as embodied in the Special Activities Fund or its equivalent.

SEC. 20. Separability clause.—The provisions of this Act are hereby declared to be separable, and in the event any one or more of such provisions are held unconstitutional, such shall not affect the validity of the other provisions.

SEC. 21. Effectivity.—This Act shall take effect upon its approval.

Approved:

QUERUBE C. MAKALINTAL
Speaker

This Act was passed by the Batasang Pambansa on December 22, 1979.

ANTONIO M. DE GUZMAN
Secretary

Approved: December 22, 1979

FERDINAND E. MARCOS
President of the Philippines

Appendix VIII

Malacañang, Manila

PRESIDENTIAL DECREE NO. 557

DECLARING ALL BARRIOS IN THE PHILIPPINES AS BARANGAYS, AND FOR OTHER PURPOSES.

WHEREAS, the Barangay was the basic political unit existing in the Philippines before the arrival of the Spaniards;

WHEREAS, it was through the Barangays that our forebears consulted on matters of community interests;

WHEREAS, the revival of the Barangays under Presidential Decree No. 86 has contributed considerably in awakening the interest of our people and broadening their participation in government affairs, the conduct of their officials, and other matters of public interest;

WHEREAS, the term "barrio" is of foreign origin and consequently there have been various representations from the Barangays all over the country to declare all barrios as Barangays;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby decree and order the following:

SECTION 1. Any provision of existing laws to the contrary notwithstanding, all existing barrios or barrios that may hereafter be created are hereby declared as Barangays and all references to the barrio in any existing laws shall henceforth be understood as references to the Barangay: *Provided, however,* That in the case of the City of Manila and other chartered cities where there are no barrios, all existing Barangays therein created under Presidential Decree No. 86, as amended, shall continue as such Barangays.

SEC. 2. Republic Act No. 3590, as amended, otherwise known as the Revised Barrio Charter, is hereby adopted as the Barangay Charter.

SEC. 3. All powers and rights vested in or exercised by the barrio assembly, barrio council and all barrio officials pursuant to Republic Act No. 3590, and such other powers and rights, appertaining to or conferred upon them by other laws, shall henceforth be exercised by the Barangay Assembly, Barangay Council and Barangay officials, and all duties and responsibilities vested in or conferred upon them by existing laws shall likewise be performed by the Barangay assemblies, Barangay councils, and Barangay officials.

SEC. 4. The officials of the barrio as constituted pursuant to Republic Act No. 3590 shall now be known as Barangay Captain, Barangay Councilman, Barangay Secretary and Barangay Treasurer.

SEC. 5. This Decree shall take effect immediately upon approval.

DONE in the City of Manila, this 21st day of September, in the year of Our Lord, nineteen hundred and seventy-four.

(Sgd.) FERDINAND E. MARCOS
President
Republic of the Philippines

By the President:

(Sgd.) ROBERTO V. REYES
Acting Executive Secretary

Appendix IX

Malacañang, Manila

PRESIDENTIAL DECREE NO. 826

CHANGING THE NAMES OF PROVINCIAL BOARDS AND CITY OR MUNICIPAL BOARDS OR COUNCILS INTO SANGGUNIAN BAYAN, AND INCREASING THE MEMBERSHIP THEREOF.

WHEREAS, there has been an increasing demand for greater participation of the citizenry in the affairs of the government;

WHEREAS, in the pursuit of such participation, barangays all over the country have, through their Barangay Federation, communicated their desire for the broadening of citizen participation in local policy-making by increasing the present membership of provincial boards and city or municipal boards or councils, as the case may be; and

WHEREAS, it is deemed necessary to give the people greater voice in the administration of their local affairs, and a better perception of the problems and the solutions thereof geared toward accelerating national growth and progress;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby decree and order, as part of the law of the land, the following:

SECTION 1. *Creation and Organization of Sangguniang Bayan.*—There shall be a Sangguniang Bayan in every province, city and municipality and for this purpose, the existing provincial boards and city or municipal boards or councils in every province, city or municipality shall be renamed and henceforth be known as "Sangguniang Bayan."

SEC. 2. *Membership.*—In the provinces, the Sangguniang Bayan shall be composed of the incumbent members of the existing provincial boards, including the vice-governors (all of whom shall become members of the Sanggunian upon promulgation of this Decree and until December 31, 1975) and a representative from each of the municipalities within the territorial jurisdiction of the province and the President of the Katipunan ng Mga Kabataang Barangay in the province.

The representative from each of the municipalities in the Sanggunian shall be chosen by and among the members of the Sangguniang Bayan in these municipalities.

In the cities and municipalities, it shall be composed of the members of the existing municipal or city councils, including the vice-mayors (who shall become members of the Sangguniang Bayan upon the promulgation of this Decree and until December 31, 1975) and as many Barangay Captains and representatives from other sectors of the community as there are members of the existing city or municipal board or council to be appointed by the President or his duly authorized representative, upon the recommendation of the local unit concerned, through the Secretary of Local Government and Community Development and the President of the Katipunan of the Sangguniang Bayan in their province, city or municipality.

The provincial governor, city or municipal mayors shall be the presiding officers of the Sangguniang Bayan in their province, city or municipality.

SEC. 3. *Allowances of Members.*—Existing provisions of law to the contrary notwithstanding, members of the Sangguniang Bayan shall not collect salaries or compensation except per diems and reasonable allowances, on reimbursement basis, as may be determined by the particular Sangguniang Bayan and subject to approval of the Secretary of Local Government and Community Development.

SEC. 4. *Meetings of the Sanggunian.*—Each Sangguniang Bayan shall prescribe with the approval of the Secretary of Local Government and Community Development, the number of regular or special session it holds; the frequency of which shall be based on the necessity therefor. The meetings of the Sangguniang Bayan shall, unless impracticable, be open to the public.

SEC. 5. *Powers and Functions.*—Except as herein provided, the Sangguniang Bayan shall exercise the powers, duties and functions now vested in the provincial boards, city councils and municipal councils, as the case maybe.

SEC. 6. *Repealing Clause.*—Nothing in this Decree shall be construed as amending modifying or otherwise repealing any and all of the provisions of Presidential Decree No. 824, creating the Metropolitan Manila and the Metropolitan Manila Commission.

All other laws or parts of laws, as well as all executive orders or regulations inconsistent herewith are hereby repealed or modified accordingly.

SEC. 7. *Effectivity.*—This Decree shall take effect upon approval.

DONE in the City of Manila, this 14th day of November, in the year of Our Lord, nineteen hundred and seventy-five.

(Sgd.) FERDINAND E. MARCOS
President
Republic of the Philippines

By the President:

(Sgd.) ALEJANDRO MELCHOR
Executive Secretary

Appendix X

Malacañang, Manila

PROCLAMATION NO. 1628

DECLARING AUTONOMY IN SOUTHERN PHILIPPINES

WHEREAS, in an agreement executed on December 23, 1976 between the Republic of the Philippines and the Moro National Liberation Front with the participation of representatives of the Quadripartite Ministerial Commission of the Islamic Conference and with the assistance of the Secretary General of the Islamic Conference, it was agreed that within the realm of the sovereignty and territorial integrity of the Republic of the Philippines, autonomy shall be declared in 13 provinces of Southern Philippines;

WHEREAS, in subsequent negotiations held from February 9, 1977 to March 3, 1977, also at Tripoli, Libya, the parties were unable to agree on certain vital aspects of the autonomy to be established in Southern Philippines;

WHEREAS, the First Lady Imelda Romualdez Marcos visited Libya from March 12-22, 1977 and on the occasion of said visit had discussed with Col. M. Khaddafy, the leader of the great First of September Revolution of the People's Socialist Libyan Arab Jemeheriya, the problem in Southern Philippines, in light of an impasse in the negotiations held from February 9, 1977 to March 3, 1977;

WHEREAS, in the course of said discussions, Col. M. Khaddafy proposed to break the impasse in the aforementioned negotiations with the declaration by President Ferdinand E. Marcos of autonomy for the thirteen (13) provinces mentioned in the Tripoli agreement of December 23, 1976 within the realm of the sovereignty and territorial integrity of the Republic of the Philippines, the organization of a provisional government for such areas of autonomy, in which provisional government the concerned parties of the Moro National Liberation Front and the inhabitants of the areas of autonomy shall take part and the holding of a referendum by the provisional government concerning the manner in which the inhabitants within the areas of autonomy may wish to organize themselves administratively in accordance with the Constitution of the Philippines;

WHEREAS, on the following day, March 19, 1977, President Ferdinand E. Marcos informed Col. Muammar Al Khaddafy of his approval of the above proposal;

WHEREAS, immediately after the receipt of the telegram of President Ferdinand E. Marcos dated March 19, 1977, Col. Muammar Al Khaddafy informed President Ferdinand E. Marcos by telegram of the approval of the agreed formula by the Members of the Quadripartite Ministerial Committee of the Islamic Conference, the current President of the Islamic Conference and the Islamic States supporting the endeavour of the People's Socialist Libyan Arab Jemeheriya and requesting that the same be implemented at the earliest possible time;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby declare autonomy in Southern Philippines to be composed of the provinces of Basilan, Sulu, Tawi-

Tawi, Zamboanga del Norte, Zamboanga del Sur in Region 9, Lanao del Norte, Lanao del Sur, Maguindanao, North Cotabato, Sultan Kudarat in Region 12, Palawan in Region 4-A, and Davao del Sur and South Cotabato in Region 11.

Prior to the establishment of the Regional Legislative Assembly and the Executive Council as envisioned in the Tripoli Agreement dated December 23, 1976, there is hereby created a Provisional Regional Government in the above-mentioned areas to be composed of seven (7) members appointed by the President, two (2) of whom shall be from the Moro National Liberation Front and one (1) member to be recommended by other liberation fronts in the provinces concerned. Its main functions, powers and responsibilities are as follows:

1. To prepare for the referendum in the said areas;
2. To prepare for the election of the regional legislative assembly in the said areas;
3. To administer said areas in accordance with the existing laws and policies governing the activities presently being undertaken by the local government units therein; and,

4. To exercise such other powers as the President of the Philippines may direct.

The results of the referendum of April 17, 1977 shall determine the manner in which the inhabitants of the areas of autonomy may wish to organize themselves administratively in accordance with the Constitution of the Philippines and the formula proposed by Col. Muammar Al Khaddafy, the leader of the great First of September Revolution of the People's Socialist Libyan Arab Jemeheriya.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Philippines to be affixed.

Done in the City of Manila, this 25th day of March, in the year of Our Lord, nineteen hundred and seventy-seven.

(Sgd.) FERDINAND E. MARCOS
President
Republic of the Philippines

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Assistant

Appendix XI

MALACANANG
Manila

PRESIDENTIAL DECREE NO. 1514

PROVIDING FOR SUCCESSION TO THE OFFICES OF THE PRESIDENT AND THE PRIME MINISTER IN IMPLEMENTATION OF THE CONSTITUTIONAL PROVISIONS ON THE MATTER.

WHEREAS, the election of the members of the Interim Batasang Pambansa makes it necessary to implement the provisions of the Constitution on the matter of succession to the Offices of the President and the Prime Minister.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby decree and order;

SECTION 1. In case of permanent disability, death or resignation of the President (Prime Minister), the Speaker of the Interim Batasang Pambansa shall act as President and perform the duties under Article VII of the Constitution, and the Deputy Prime Minister, or if there be more than one, the Senior Deputy Prime Minister shall act as Prime Minister, with the powers and functions prescribed under the Constitution, until the Interim Batasang Pambansa elects from among its members a President and a Prime Minister.

SEC. 2. The Speaker shall immediately convene or call to session the Interim Batasang Pambansa which shall elect a President and a Prime Minister in accordance with Articles VII, VIII and IX of the Constitution.

SEC. 3. This Decree shall take effect immediately.

Done in the City of Manila, this 11th day of June, in the year of Our Lord, nineteen hundred and seventy-eight.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Assistant

Appendix XII

TRADE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA

The Government of the Republic of the Philippines and the Government of the United States of America, have, through their respective plenipotentiaries, reached the following agreement on the trade concessions and contributions exchanged between them within the framework of the Declaration of Ministers in Tokyo on September 14, 1973 otherwise known as the Multilateral Trade Negotiations.

ARTICLE I

Articles, the growth, produce, or manufacture of the Philippines enumerated in Schedules I and I-A, annexed to this agreement and made a part thereof, subject to the conditions specified herein, shall be upon importation into the United States subject to customs duties not in excess of those set forth in the said schedules on and after the dates specified therein.

ARTICLE II

Articles, the growth, produce, or manufacture of the United States enumerated in Schedules II and II-A annexed to this agreement and made a part thereof, subject to the conditions specified herein, shall be upon importation into the Philippines, subject to customs duties not in excess of those set forth in the said schedules on and after the dates specified therein.

The tariff concessions on the articles enumerated in schedules II and II-A shall be acceptable to the United States as the tariff contribution of the Philippines towards its accession to the General Agreement on Tariffs and Trade (GATT) which will be annexed to the Protocol of Accession.

ARTICLE III

All the tariff concessions enumerated in the Schedules shall be incorporated in each country's GATT schedule.

ARTICLE IV

No measure shall be adopted or modified by either Government adversely affecting the concessions granted in the Schedules which is inconsistent with the provisions of the General Agreement on Tariffs and Trade. The United States takes note that the Philippines, as part of its accession to the General Agreement on Tariffs and Trade, has provided a list of products which cannot be freely imported.

ARTICLE V

Any problem affecting the implementation of the concessions in the Schedules shall be resolved through consultation and negotiations.

ARTICLE VI

The United States agrees to reexamine the requests of the Philippines for tariff concessions on scrap tobacco (TSUS 170.6020) in the light of the total Multilateral Trade Negotiations package.

ARTICLE VII

This agreement shall enter into force upon its signature.

DONE in two (2) original copies, each copy in English and Pilipino, both texts being equally authentic, at Manila, this 30th day of October 1979.

FOR THE:

FOR THE:

REPUBLIC OF THE PHILIPPINES

UNITED STATES OF AMERICA

AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA CONCERNING MILITARY BASES SIGNED AT MANILA, ON 14 MARCH 1947.

WHEREAS, the war in the Pacific has confirmed the mutuality of interest of the Republic of the Philippines and the United States of America in matters relating to the defense of their respective territories and that mutuality of interest demands that the Governments of the two countries take the necessary measures to promote their mutual security and defend their territories and areas;

WHEREAS, the Governments of the Republic of the Philippines and of the United States of America are desirous of cooperating in the common defense of their two countries through arrangements consonant with the procedures and objectives of the United Nations, and particularly through a grant to the United States of America by the Republic of the Philippines in the exercise of its title and sovereignty, of the use, free of rent, in furtherance of the mutual interest of both countries, of certain lands of the domain;

WHEREAS, the Government of the Republic of the Philippines has requested United States assistance in providing for the defense of the Philippines and in developing for such defense effective Philippine armed forces;

WHEREAS, pursuant to this request the Government of the United States of America has, in view of its interest in the welfare of the Philippines, indicated its intention of dispatching a military mission to the Philippines and of extending to her appropriate assistance in the development of the Philippine defense forces;

WHEREAS, a Joint Resolution of the Congress of the United States of America of June 29, 1944, authorized the President of the United States of America to acquire bases for the mutual protection of the Philippines and of the United States of America; and

WHEREAS, Joint Resolution No. 4 of the Congress of the Philippines, approved July 28, 1945, authorized the President of the Philippines to negotiate with the President of the United States of America for the establishment of bases provided for in the Joint Resolution of the Congress of the United States of America of June 29, 1944, with a view to insuring the territorial integrity of the Philippines, the mutual protection of the Philippines and the United States of America and the maintenance of peace in the Pacific;

THEREFORE, the Governments of the Republic of the Philippines and of the United States of America agree upon the following terms for the delimitation, establishment, maintenance and operation of military bases in the Philippines:

ARTICLE I

GRANT OF BASES

1. The Government of the Republic of the Philippines (hereinafter referred to as the Philippines) grants to the Government of the United States of America

(hereinafter referred to as the United States) the right to retain the use of the bases in the Philippines listed in Annex "A" attached hereto.

2. The Philippines agrees to permit the United States, upon notice to the Philippines, to use such of those bases listed in Annex "B" as the United States determines to be required by military necessity.

3. The Philippines agrees to enter into negotiations with the United States at the latter's request, to permit the United States to expand such bases, to exchange such bases for other bases, or relinquish rights to bases, as any of such exigencies may be required by military necessity.

4. A narrative description of the boundaries of the bases to which this Agreement relates is given in Annex "A" and Annex "B". An exact description of the bases listed in Annex "A", with metes and bounds, in conformity with the narrative descriptions, will be agreed upon between the appropriate authorities of the two Governments as soon as possible. With respect to any of the bases listed in Annex "B", an exact description with metes and bounds, in conformity with the narrative description of such bases, will be agreed upon if and when such bases are acquired by the United States.

ARTICLE II

MUTUAL COOPERATION

1. It is mutually agreed that the armed forces of the Philippines may serve on United States bases and that the armed forces of the United States may serve on Philippine military establishments whenever such conditions appear beneficial as mutually determined by the armed forces of both countries.

2. Joint outlined plans for the development of military bases in the Philippines may be prepared by military authorities of the two Governments.

3. In the interest of international security any base listed in Annexes "A" and "B" may be made available to the Security Council of the United Nations on its call by prior mutual agreement between the Philippines and the United States.

ARTICLE III

DESCRIPTION OF RIGHTS

1. It is mutually agreed that the United States shall have the rights, power and authority within the bases which are necessary for the establishment, use, operation and defense thereof or appropriate for the control thereof and all the rights, power and authority within the limits of territorial waters and air space adjacent to, or in the vicinity of, the bases which are necessary to provide access to them, or appropriate for their control.

2. Such rights, power and authority shall include, inter alia, the right, power and authority:

(a) to construct (including dredging and filling), operate, maintain, utilize, occupy, garrison and control of the bases;

(b) to improve and deepen the harbors, channels, entrances and anchorages, and to construct or maintain necessary roads and bridges affording access to the bases;

(c) to control (including the right to prohibit) in so far as may be required for the efficient operation and safety of the bases, and within the limits of military necessity, anchorages, moorings, landings, takeoffs, movements and operation of ships and waterborne craft, aircraft and other vehicles on water, in the air or on land comprising or in the vicinity of the bases;

(d) the right to acquire, as may be agreed between the two Governments, such rights of way, and to construct thereon, as may be required for military purposes, wire and radio communications facilities, including submarine and subterranean cables, pipe lines and spur tracks from railroads to bases, and the right, as may be agreed upon between the two Governments to construct the necessary facilities;

(e) to construct, install, maintain, and employ on any base any type of facilities, weapons, substance, device, vessel or vehicle on or under the ground in the air or on or under the water that may be requisite or appropriate, including meteorological systems, aerial and water navigation lights, radio and radar apparatus and electronic devices, of any desired power, type of emission and frequency.

3. In the exercise of the above-mentioned rights, power and authority, the United States agrees that the powers granted to it will not be used unreasonably or unless required by military necessity determined by the two Governments, so as to interfere with the necessary rights of navigation, aviation, communication, or land travel within the territories of the Philippines. In the practical application outside the bases of the rights, power and authority granted in this Article there shall be, as the occasion requires, consultation between the two Governments.

ARTICLE IV

SHIPPING AND NAVIGATION

1. It is mutually agreed that United States public vessels operated by or for the War or Navy Departments, the Coast Guard or the Coast and Geodetic Survey, and the military forces of the United States, military and naval aircraft and Government-owned vehicles, including armor, shall be accorded free access to and movement between ports and United States bases throughout the Philippines, including territorial waters, by land, air or sea. This right shall include freedom from compulsory pilotage and all toll charges. If, however, a pilot is taken, pilotage shall be paid for at appropriate rates. In connection with entrance into Philippine ports by United States public vessels appropriate notification under normal conditions shall be made to the Philippine authorities.

2. Lights and other aids to navigation of vessels and aircraft placed or established in the bases and territorial waters adjacent thereto or in the vicinity of such bases shall conform to the system in use in the Philippines. The position, characteristics and any alterations in the lights or other aids shall be communicated in advance to the appropriate authorities of the Philippines.

3. Philippine commercial vessels may use the bases on the same terms and conditions as United States commercial vessels.

4. It is understood that a base is not a part of the territory of the United States for the purpose of coastwise shipping laws so as to exclude Philippine vessels from trade between the United States and the bases.

ARTICLE V

EXCEPTIONS FROM CUSTOMS AND OTHER DUTIES

No import, excise, consumption or other tax, duty or impost shall be charged on material, equipment, supplies or goods, including food stores and clothing, for exclusive use in the construction, maintenance, operation or defense of the bases, consigned to, or destined for, the United States authorities and certified by them to be for such purposes.

ARTICLE VI

MANEUVER AND OTHER AREAS

The United States shall, subject to previous agreement with the Philippines, have the right to use land and coastal sea areas of appropriate size and location for periodic maneuvers, for additional staging areas, bombing and gunnery ranges, and for such intermediate airfields as may be required for safe and efficient air operations. Operations in such areas shall be carried on with due regard and safeguards for the public safety.

ARTICLE VII

USE OF PUBLIC SERVICES

It is mutually agreed that the United States may employ and use for United States military forces any and all public utilities, other services and facilities, airfields, ports, harbors, roads, highways, railroads, bridges, viaducts, canals, lakes, rivers and streams in the Philippines under conditions no less favorable than those that may be applicable from time to time to the military forces of the Philippines.

ARTICLE VIII

HEALTH MEASURES OUTSIDE BASES

It is mutually agreed that the United States may construct, subject to agreement by the appropriate Philippine authorities, wells, water catchment areas or dams to insure an ample supply of water for all base operations and personnel. The United State shall likewise have the right, in cooperation with the appropriate authorities of the Philippines, to take such steps as may be mutually agreed upon to be necessary to improve health and sanitation in areas contiguous to the bases, including the right, under such conditions as may be mutually agreed upon, to enter and inspect any privately owned property. The United States shall pay just compensation for any injury to persons or damage to property that may result from action taken in connection with this Article.

ARTICLE IX

SURVEYS

It is mutually agreed that the United States shall have the right, after appropriate notification has been given to the Philippines, to make topographic, hydrographic, and coast and geodetic surveys and aerial photographs in any part of the Philippines and waters adjacent thereto. Copies with title and triangulation data of any surveys or photomaps made of the Philippines shall be furnished to the Philippines.

ARTICLE X

CEMETERIES AND HISTORICAL SITES

1. The United States shall have the right to retain and maintain such United States military cemeteries and such sites of historical significance to the United States as may be agreed upon by the two Governments. All rights, power and authority in relation to bases granted under this Agreement shall be applicable, in so far as appropriate, to the cemeteries and sites mentioned in this Article.

2. Furthermore, it is recognized that there are certain cemeteries and historical sites in the Philippines revered in the memory of the People of the Philippines and of the United States, and it is therefore fitting that the maintenance and improvement of such memorials be the common concern of the two countries.

ARTICLE XI

IMMIGRATION

It is mutually agreed that the United States shall have the right to bring into the Philippines members of the United States military forces and the United States nationals employed by or under a contract with the United States together with their families, and technical personnel of other nationalities (not being persons excluded by the laws of the Philippines) in connection with the construction, maintenance, or operation of the bases. The United States shall make suitable arrangements so that such persons may be readily identified and their status established when necessary by the Philippines authorities. Such persons, other than members of the United States armed forces in uniform, shall present their travel documents to the appropriate Philippine authorities for visas, it being understood that no objection will be made to their travel to the Philippines as non-immigrants.

2. If the status of any person within the Philippines and admitted thereto under the foregoing paragraph shall be altered so that he would no longer be entitled to such admission, the United States shall notify the Philippines and shall, if such person be required to leave the Philippines, by the latter Government, be responsible for providing him with a passage from the Philippines within a reasonable time, and shall in the meantime prevent his becoming a public responsibility of the Philippines.

ARTICLE XII

INTERNAL REVENUE TAX EXCEPTION

1. No member of the United States armed forces, except Filipino citizens, serving in the Philippines in connection with the bases and residing in the Philippines by reason only of such service, or his dependents, shall be liable to pay income tax in the Philippines except in respect of income derived from Philippine sources.

2. No national of the United States serving in or employed in the Philippines in connection with the construction, maintenance, operation or defense of the bases and residing in the Philippines by reason only of such employment, or his spouse, shall be liable to pay income tax in the Philippines except in respect of income derived from Philippine sources or sources other than the United States sources.

3. No person referred to in paragraphs 1 and 2 of this Article shall be liable to pay to the Government or local authorities of the Philippines any poll or residence tax, or any import or export duty, or any other tax on personal property imported for his own use; provided that privately-owned vehicles shall be subject to payment of the following only; when certified as being used for military purposes by appropriate United States authorities, the normal license plate fee; otherwise, the normal license plate and registration fees.

4. No national of the United States, or corporation organized under the laws of the United States, resident in the United States, shall be liable to pay income tax in the Philippines in respect of any profits derived under a contract made in the United States with the government of the United States in connection with the construction, maintenance, operation and defense of the bases, or any tax in the nature of a license in respect of any service or work for the United States in connection with the construction, maintenance, operation and defense of the bases.

ARTICLE XIII

JURISDICTION

1. The Philippines consents that the United States shall have the right to exercise jurisdiction over the following offenses:

(a) any offense committed by any person within any base except where the offender and offended parties are both Philippine citizens (not members of the armed forces of the United States on active duty) or the offense is against the security of the Philippines;

(b) any offense committed outside the bases by any member of the armed forces of the United States in which the offended party is also a member of the armed forces of the United States; and

(c) any offense committed outside the bases by any member of the armed forces of the United States against the security of the United States.

2. The Philippines shall have the right to exercise jurisdiction over all other offenses committed outside the bases by any member of the armed forces of the United States.

3. Whenever for special reasons the United States may desire not to exercise the jurisdiction reserved for it in paragraphs 1 and 6 of this Article, the officer holding the offender in custody shall so notify the fiscal (prosecuting attorney) of the city or province in which the offense has been committed within ten days after the arrest, and in such a case the Philippines shall exercise jurisdiction.

4. Whenever for special reasons the Philippines may desire not to exercise the jurisdiction reserved to it in paragraph 2 of this Article, the fiscal (prosecuting attorney) of the city or province where the offense has been committed shall so notify the officer holding the offender in custody within ten days after his arrest, and in such a case the United States shall be free to exercise jurisdiction. If any offense falling under paragraph 2 of this Article is committed by any member of the armed forces of the United States:

(a) while engaged in the actual performance of a specific military duty, or

(b) during a period of national emergency declared by either Government and the fiscal (prosecuting attorney) so finds from the evidence, he shall immediately notify the officer holding the offender in custody that the United States is free to exercise jurisdiction. In the event the fiscal (prosecuting attorney) finds that the offense was not committed in the actual performance of a specific military duty, the offenders commanding officer shall have the right to appeal from such finding to the Secretary of Justice within ten days from the receipt of the decision of the fiscal and the decision of the Secretary of Justice shall be final.

5. In all cases over which the Philippines exercises jurisdiction the custody of the accused, pending trial and final judgment, shall be entrusted without delay to the commanding officer of the nearest base, who shall acknowledge in writing that such accused has been delivered to him for custody pending trial in a competent court of the Philippines and that he will be held ready to appear and will be produced before said court when required by it. The commanding officer shall be furnished by the fiscal (prosecuting officer) with a copy of the information against the accused upon the filing of the original in the competent court.

6. Notwithstanding the foregoing provisions, it is mutually agreed that in time of war the United States shall have the right to exercise exclusive jurisdiction over any offenses which may be committed by members of the armed forces of the United States in the Philippines.

7. The United States agrees that it will not grant asylum in any of the bases to any person fleeing from the lawful jurisdiction of the Philippines. Should any such person be found in any base, he will be surrendered on demand to the competent authorities of the Philippines.

8. In every case in which jurisdiction over an offense is exercised by the United States, the offended party may institute a separate civil action against the offender in the proper court of the Philippines to enforce the civil liability which under the laws of the Philippines may arise from the offense.

ARTICLE XIV

ARREST AND SERVICE OF PROCESS

1. No arrest shall be made and no process, civil or criminal, shall be served within any base except with the permission of the commanding officer of such base; but should the commanding officer refuse to grant such permission, he shall (except in cases of arrest where the United States has jurisdiction under Article XIII) forthwith take the necessary steps to arrest the person charged and surrender him to the appropriate authorities of the Philippines or to serve such process, as the case may be, and to provide the attendance of the server of such process before the appropriate court in the Philippines or procure such server to make the necessary affidavit or declaration to prove such service as the case may require.

2. In cases where the service courts of the United States have jurisdiction under Article XIII, the appropriate authorities of the Philippines will on request, give reciprocal facilities as regards the service of process and the arrest and surrender of alleged offenders.

ARTICLE XV

SECURITY LEGISLATION

The Philippines agrees to take such steps as may from time to time be agreed to be necessary with a view to the enactment of legislation to insure the adequate security and protection of the United States bases, equipment and other property and the operations of the United States under this Agreement, and the punishment of persons who may contravene such legislation. It is mutually agreed that appropriate authorities of the two Governments will also consult from time to time in order to insure that laws and regulations of the Philippines and of the United States in relation to such matters shall, so far as may be possible, be uniform in character.

ARTICLE XVI

POSTAL FACILITIES

It is mutually agreed that the United States shall have the right to establish and maintain United States post offices in the bases for the exclusive use of the United States armed forces and civilian personnel who are nationals of the United States and employed in connection with the construction, maintenance and operation of the bases, and the families of such persons, for domestic use between the United States post offices in the bases and between such post offices and other United States post offices. The United States shall have the right to regulate and control within the bases all communications within, to and from such bases.

ARTICLE XVII

REMOVAL OF IMPROVEMENTS

1. It is mutually agreed that the United States shall have the right to remove or dispose of any or all removable improvements, equipment or facilities located at or on any base and paid for with funds of the United States. No export tax shall be charged on any material or equipment so removed from the Philippines.

2. All buildings and structures which are erected by the United States in the bases shall be the property of the United States and may be removed by it before the expiration of this Agreement or the earlier relinquishment of the base on which the structures are situated. There shall be no obligation on the part of the Philippines or of the United States to rebuild or repair any destruction or damage inflicted from any cause whatsoever on any of the said buildings or structures owned or used by the United States in the bases. The United States is not obligated to turn over the bases to the Philippines at the expiration of this Agreement or the earlier relinquishment of any bases in the condition in which they were at the time of their occupation, nor is the Philippines obliged to make any compensation to the United States for the improvements made in the bases or for the buildings or structures left thereon, all of which shall become the property of the Philippines upon the termination of the Agreement or the earlier relinquishment by the United States of the bases where the structures have been built.

ARTICLE XVIII

SALES AND SERVICES WITHIN THE BASES

1. It is mutually agreed that the United States shall have the right to establish on bases, free of all licenses; fees; sales, excise or other taxes, or imposts; Government agencies, including concessions, such as sales commissaries and post exchanges; messes and social clubs, for the exclusive use of the United States military forces and authorized civilian personnel and their families. The merchandise or services sold or dispensed by such agencies shall be free of all taxes, duties and inspection by the Philippine authorities. Administrative measures shall be taken by the appropriate authorities of the United States to prevent the resale of goods which are sold under the provisions of this Article to persons not entitled to buy goods at such agencies and, generally, to prevent abuse of the privileges granted under this Article. There shall be cooperation between such authorities and the Philippines to this end.

2. Except as may be provided in any other agreements, no persons shall habitually render any professional services in a base except to or for the United States or to or for the persons mentioned in the preceding paragraph. No business shall be established in a base, it being understood that the Government agencies mentioned in the preceding paragraph shall not be regarded as businesses for the purpose of this Article.

ARTICLE XIX

COMMERCIAL CONCERNS

It is mutually agreed that the United States shall have the right, with the consent of the Philippines, to grant to commercial concerns owned or controlled by citizens of the Philippines or of the United States such rights to the use of any base or facility retained or acquired by the United States as may be deemed appropriate by both Governments to insure the development and maintenance for defense purposes of such bases and facilities.

ARTICLE XX

MILITARY OR NAVAL POLICE

It is mutually agreed that there shall be close cooperation on a reciprocal basis between the military and naval police forces of the United States and the police forces of the Philippines for the purpose of preserving order and discipline among United States military and naval personnel.

ARTICLE XXI

TEMPORARY INSTALLATIONS

1. It is mutually agreed that the United States shall retain the right to occupy temporary quarters and installations now existing outside the bases mentioned in Annex "A" and Annex "B", for such reasonable time, not exceeding two years, as may be necessary to develop adequate facilities within the bases for the United States armed forces. If circumstances require an extension of time, such a period will be fixed by mutual agreement of the two Governments; but such extension shall not apply to the existing temporary quarters and installations within the limits of the City of Manila and shall in no case exceed a period of three years.

2. Notwithstanding the provisions of the preceding paragraph, the Port of Manila reservation with boundaries as of 1941 will be available for use to the United States armed forces until such time as other agreements can be made for supply of the bases by mutual agreement of the two Governments.

3. The terms of this Agreement pertaining to bases shall be applicable to temporary quarters and installations referred to in paragraph 1 of this Article while they are so occupied by the armed forces of the United States; provided, that offenses committed within the temporary quarters and installations located within the present limits of the City of Manila shall not be considered as offenses within the bases but shall be governed by the Provisions of Article XIII, paragraphs 2 and 4, except that the election not to exercise jurisdiction reserved to the Philippines shall be made by the Secretary of Justice. It is agreed that the United States shall have full use and full control of all these quarters and installations while they are occupied by the armed forces of the United States, including the exercise of such measures as may be necessary to police said quarters for the security of the personnel and property therein.

ARTICLE XXII

CONDEMNATION OR EXPROPRIATION

1. Whenever it is necessary to acquire by condemnation or expropriation proceedings real property belonging to any private persons, associations or corporations located in bases named in Annex "A" and Annex "B" in order to carry out the purposes of this Agreement, the Philippines will institute and prosecute such con-

demnation or expropriation proceedings in accordance with the laws of the Philippines. The United States agrees to reimburse the Philippines for all the reasonable expenses, damages and costs thereby incurred, including the value of the property as determined by the Court. In addition, subject to the mutual agreement of the two Governments, the United States will reimburse the Philippines for the reasonable costs of transportation and removal of any occupants displaced or ejected by reason of the condemnation or expropriation.

2. Prior to the completion of such condemnation or expropriation proceedings, in cases of military necessity the United States shall have the right to take possession of such property required for military purposes as soon as the legal requisites for obtaining possession have been fulfilled.

3. The properties acquired under this Article shall be turned over the Philippines upon the expiration of this Agreement, or the earlier relinquishment of such properties, under such terms and conditions as may be agreed upon by the two Governments.

ARTICLE XXIII

CIVIL LIABILITY

For the purpose of promoting and maintaining friendly relations by the prompt settlement of meritorious claims, the United States shall pay just and reasonable compensation, when accepted by claimants in full satisfaction and in final settlement, for claims including claims of insured but excluding claims of subrogees, on account of damage to or loss or destruction of private property, both real and personal, or personal injury or death of inhabitants of the Philippines, when such damages, loss, destruction or injury is caused by the armed forces of the United States, or individual members, thereof, including military or civilian employees thereof, or otherwise incident to non-combat activities of such forces; provided that no claim shall be considered unless presented within one year after the occurrence of the accident or incident out of which such claim arises.

ARTICLE XXIV

MINERAL RESOURCES

All minerals (including oil), and antiquities and all rights relating thereto and to treasure trove, under, upon, or connected with the land and water comprised in the bases or otherwise used or occupied by the United States by virtue of this Agreement, are reserved to the Government and inhabitants of the Philippines; but no rights so reserved shall be transferred to third parties, or exercised within the bases without the consent of the United States. The United States shall negotiate with the proper Philippine authorities for the quarrying of rock and gravel necessary for construction work on the bases.

ARTICLE XXV

GRANT OF BASES TO A THIRD POWER

1. The Philippines agrees that it shall not grant, without prior consent of the United States, any bases or any rights, power, or authority whatsoever, in or relating to bases, to any third power.

2. It is further agreed that the United States shall not, without the consent of the Philippines, assign, or underlet, or part with the possession of the whole or any part of any base, or of any right, power or authority granted by this Agreement, to any third power.

ARTICLE XXVI

DEFINITION OF BASES

For the purposes of this Agreement, bases are those areas named in Annex "A" and Annex "B" and such additional areas as may be acquired for military purposes pursuant to the terms of this Agreement.

ARTICLE XXVII

VOLUNTARY ENLISTMENT OF PHILIPPINE CITIZENS

It is mutually agreed that the United States shall have the right to recruit citizens of the Philippines for voluntary enlistment into the United States armed forces for a fixed terms of years, and to train them and to exercise the same degree of control and discipline over them as is exercised in the case of other members of the United States armed forces. The number of such enlistments to be accepted by the armed forces of the United States may from time to time be limited by agreement between the two Governments.

ARTICLE XXVIII

UNITED STATES RESERVE ORGANIZATIONS

It is mutually agreed that the United States shall have the right to enroll all eligible United States citizens residing in the Philippines in the Reserve Organizations of the armed forces of the United States, which include the Officers Reserve Corps and the Enlisted Reserve Corps except that prior consent of the Philippines shall be obtained in the case of such persons who are employed by the Philippines or any Municipal or Provincial Government thereof.

ARTICLE XXIX

TERM OF AGREEMENT

The present Agreement shall enter into force upon its acceptance by the two Governments and shall remain in force for a period of ninety-nine years subject to extension thereafter as agreed by the two Governments.

SIGNED in Manila, Philippines, in duplicate this fourteenth day of March, nineteen hundred and forty-seven.

On behalf of the Government of the
Republic of the Philippines

(Sgd.) MANUEL ROXAS
President of the Philippines

On behalf of the Government of the
United States of America

(Sgd.) PAUL V. MCNUTT
Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Philippines

**MEMORANDUM OF AGREEMENT BETWEEN THE GOVERNMENT OF THE
REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE
UNITED STATES OF AMERICA ON THE OPERATIONAL USE OF THE
UNITED STATES BASES IN THE PHILIPPINES FOR MILITARY COMBAT
OPERATIONS, THE DURATION AND TERMINATION OF THE USE OF
MILITARY BASES, AND MUTUAL DEFENSE. Signed at Manila, October 12,
1959.**

Note: The Agreement entered into force, October 12, 1959.

Reference: This Agreement is also published in III DFA TS No. 3. p. 63.

1. In accordance with the understandings reached during our discussions in August, September and October 1959, the following is agreed:

- (a) *Consultations:* The operational use of United States bases in the Philippines for military combat operations, other than those conducted in accordance with United States-Philippines Mutual Defense Treaty and South-east Asian Collective Defense Treaty, will be the subject of prior consultation with the Government of the Philippines.

The establishment by the United States of long range missiles (IRBM, ICBM) on United States bases in the Philippines will be the subject of prior consultation with the Government of the Philippines.

- (b) *Duration and Termination:* Article XXIX of the Military Bases Agreement of 1949 will be amended in order to reduce the duration of the agreement from 99 to 25 years together with a proviso for renewal at the expiration of the 25 year period or earlier termination by mutual agreement of our two governments. The period of 25 years will commence from the date of signature of the formal documents giving effect to the agreements reached.

- (c) *Mutual defense:* The policy of the United States with regard to armed attack on the Philippines is contained in the Mutual Defense Treaty. Further the United States reaffirms the policy set forth in the statement of September 7, 1954 of then Secretary of State Dulles which reads as follows:

"Under our Mutual Defense Treaty and related actions, there have resulted air and naval dispositions of the United States in the Philippines, such that an armed attack on the Philippines could not but be also an attack upon the military forces of the United States. As between our nations, it is no legal fiction to say that an attack on one is an attack on both. It is a reality that an attack on the Philippines is an attack also on the United States."

and in the joint communique issued on June 20, 1959 by President Eisenhower and President Garcia the pertinent part of which reads as follows:

"President Eisenhower made clear that, in accordance with these existing alliances and the deployments and dispositions thereunder, any

armed attack against the Philippines would involve an attack against United States forces stationed there and against the United States and would instantly be repelled."

(Sgd.) CHARLES E. BOHLEN
*Ambassador of
the United States of America*

(Sgd.) FELIXBERTO SERRANO
*Secretary of
Foreign Affairs*

October 12, 1959

THE FOREIGN SERVICE
of the
UNITED STATES OF AMERICA

American Embassy,
Manila, Philippines
October 12, 1959

My dear Secretary Serrano:

In connection with our discussions on the various points included in our agreed agenda for these exploratory bases discussions, I wish to inform you that my Government is prepared to include the following statement in whatever document formalizes the agreements we have reached on all matters under discussion:

"Nothing in these agreements prejudices the inherent right of either Government to raise with the other in appropriate circumstances any question of particular interest to it."

Sincerely yours,

(Sgd.) CHARLES E. BOHLEN

The Honorable
Felixberto Serrano
Secretary of Foreign Affairs
Department of Foreign Affairs,
Manila, Philippines

MINUTES OF UNDERSTANDING

It is agreed that the general aspects of the military assistance rendered by the United States to the Philippines under existing agreements will be referred to the Mutual Defense Board for consideration and discussion.

(Sgd.) CHARLES E. BOHLEN
*Ambassador of
the United States*

(Sgd.) FELIXBERTO SERRANO
*Secretary of
Foreign Affairs*

October 12, 1959

MINUTES OF UNDERSTANDING

With reference to par. 1 (a) of Memorandum of Agreement signed October 12, 1959 it is understood that the phrase "military combat operations" means the direct launching of military combat operations. However the phrase "direct launching of" has been deleted from the text of the Memorandum of Agreement, in accordance with the Philippine request, in order to avoid the possibility that this phrase might be misinterpreted to mean that the bases might be used to initiate aggressive operations in violation of the UN Charter.

(Sgd.) CHARLES E. BOHLEN
*Ambassador of
the United States of America*

(Sgd.) FELIXBERTO SERRANO
*Secretary of
Foreign Affairs*

October 12, 1959

JOINT COMMUNIQUE OF PRESIDENT MARCOS AND PRESIDENT FORD

December 7, 1976

During the visit of President and Mrs. Gerald R. Ford at the invitation of President and Mrs. Ferdinand E. Marcos, the two Presidents welcomed the opportunity to renew the status of their alliance in the light of changing circumstances in the Pacific region.

They affirmed that sovereign equality, territorial integrity and political independence of all states are fundamental principles which both countries scrupulously respect.

They confirmed the mutual respect for the dignity of each nation which characterizes their friendship as well as the alliance between their two countries.

The two Presidents discussed the measures which they agreed were desirable to enhance their relations, and to adjust them to current conditions and needs.

In the field of economic and commercial relations, they agreed that it was timely to conclude negotiations on a new agreement on trade, investment and related matters as a means to enhance economic cooperation between the two countries. This agreement would modernize the terms for conducting economic and commercial relations, taking account of the end of the Laurel-Langley agreement and giving due consideration to the requirements for the development of the Philippine economy. The Philippines stressed their desire regarding United States tariff treatment for such significant Philippine products as mahogany and coconut oil.

In the field of security cooperation, they declared that the alliance between the United States and the Philippines is not directed against any country, but is intended to preserve the independence and promote the welfare of their two peoples, while at the same time contributing to peace and progress to all. They considered that the treaty of August 30, 1951 enhanced the defense of both countries strengthened the security of the Pacific region, and contributed to the maintenance of world peace. They agreed that the military bases used by the U.S. in the Philippines remain important in maintaining an effective United States presence in the western Pacific in support of these mutual objectives.

JOINT STATEMENT OF
PRESIDENT MARCOS AND VICE PRESIDENT MONDALE

May 4, 1978

President Marcos and Vice President Mondale discussed matters pertaining to the military bases in the Philippines. In this regard, they agreed that United States continued use of the Philippine bases contributes to the mutual benefit of both countries. They agreed on the need to conclude negotiations on amendments to the Military Bases Agreement that would allow United States continued use of Philippine military bases on terms fully consistent with Philippine sovereignty.

In this regard, they agreed that representatives of their Governments will negotiate amendments to the Military Bases Agreement reflecting, among others, the following principles:

1. The United States reaffirms that Philippine sovereignty extends over the bases.
2. Each base shall be under the command of a Philippine Base Commander.
3. The United States shall be assured effective command and control over United States personnel, employees, equipment, material, the facilities authorized for their use within the military bases, and unhampered military operations involving their own forces as provided for in this Agreement.
4. In every fifth anniversary year from the date of the amendments and until the termination of the Agreement, there shall be begun and completed a complete and thorough review and reassessment of the agreement, including its objectives, its provisions, its duration, and the manner of implementation to ensure that the Agreement continues to serve the mutual interest of both parties.

In order to expedite the conclusion of such amendments, the two sides will designate representatives to develop means of giving concrete manifestations to these principles.

They agreed that negotiations on the subject of United States use of Philippine military bases should be conducted in the clear recognition of Philippine sovereignty. The two Presidents agreed that there should be an early review of the steps necessary to conclude the negotiations through the two panels already organized for that purpose.

President Marcos explained his efforts to attain military self-reliance and his policy not to allow the introduction of foreign ground troops into the Philippines for its defense except as a last resort. President Ford expressed support for these realistic policies and to this end indicated that the United States intended to continue to provide assistance to the Philippines within the framework of available resources.

The two Presidents reaffirmed their commitment to continue close association on all matters of mutual concern. They concluded that the ties between the Philippines and the U.S. remain strong and mutually beneficial.

President Ford thanked President Marcos for the magnificent hospitality extended to him and Mrs. Ford. President Marcos accepted President Ford's invitation to make a return visit to the United States at a mutually convenient time.

7 January 1979

Excellency:

I have the honor to acknowledge the receipt of Your Excellency's note of January 7, 1979, which reads as follows:

"Excellency:

"On December 7, 1975, at the conclusion of U.S. President Gerald R. Ford's state visit to the Philippines, a Joint Communique was issued by Philippine President Ferdinand E. Marcos and U.S. President Gerald R. Ford. The Joint Communique stated, *inter alia*, as follows:

"They agreed that negotiations on the subject of United States use of Philippine military bases should be conducted in the clear recognition of Philippine sovereignty. The two Presidents agreed that there should be an early review of the steps necessary to conclude the negotiations through the two panels already organized for that purpose."

"Also, on May 4, 1978, at the conclusion of U.S. Vice President Walter F. Mondale's official visit to the Philippines, a Joint Statement was issued by Philippine President Ferdinand E. Marcos and U.S. Vice President Walter F. Mondale, in which it was agreed that representatives of their governments would negotiate amendments to the Military Bases Agreement reflecting certain principles.

"Copies of the Joint Communique of December 7, 1975 and of the Joint Statement of May 4, 1978 are appended hereto for reference.

"Representatives of our governments have since met and agreed on modification to the Philippine-United States Military Bases Agreement of 1947, as previously amended. Our representatives have agreed that:

1. The bases subject of the Agreement are Philippine military bases over which Philippine sovereignty extends;

2. Each base shall be under the command of a Philippine base commander; and

3. The United States shall have the use of certain facilities and areas within the bases and shall have effective command and control over such facilities and over United States personnel, employees, equipment and material. Consistent with its rights and obligations under the 1947 Agreement, as amended, the United States shall be assured unhampered military operations involving its forces in the Philippines.

"In implementation of the above, the two Governments have agreed on the attached implementing arrangements with annexes and accompanying maps.

"They have further agreed that:

1. Only the Philippine flag shall be flown singly at the Bases. The United States flag, together with the Philippine flag which shall at all times occupy the place of honor, may be displayed within buildings and other indoor sites at the United States facilities, and in front of the headquarters of the United States Commanders and, upon coordination with the Philippine Base Com-

manders, for appropriate outdoor ceremonies such as military honors and parades on the facilities.

2. Development of base land subsequent to this Agreement, for other than military purposes, shall be accomplished in such a manner as to ensure that Philippine and United States military operations will remain unhampered and effective security of the bases will be maintained. The parties shall see to it that any such development will not limit the use of the facilities or in any way obstruct military operations, the safety of flight, navigation or the efficiency of communication or transportation.

3. The provisions of the military bases agreement of 1947, as previously amended, regarding grant and definition of bases, as set forth in Article I, Article XXVI and Annexes A and B of such agreement are hereby superseded.

4. In every fifth anniversary year from the date of this modification and until the termination of the Military Bases Agreement there shall be begun and completed a complete and thorough review and reassessment of the agreement including its objectives, its provisions, its duration, and the manner of implementation to assure that the agreement continues to serve the mutual interest of both parties.

"The two parties take note of the economic and social conditions in the areas surrounding the bases and express their joint interest in developing programs designed to upgrade them.

"The two parties also take note of the decision by the Government of the Philippines to assume responsibility for perimeter security at the bases. This should significantly decrease contacts between Filipino civilians and American servicemen on official duty involving security. The parties also note the decision of the United States to retain accused personnel in the Philippines for a reasonable time, and to prevent their inadvertent departure, in order to provide opportunities for adequate discussions between the two governments relating to the jurisdictional question in official duty cases.

"If the foregoing is acceptable to the Government of the Philippines, I have the honor to propose that this Note and your Note in reply confirming acceptance constitute an agreement between our governments.

"Accept Excellency the renewed assurances of my highest consideration."

I am pleased to inform Your Excellency that the understandings contained in the above-quoted Note are acceptable to my Government, and that Your Excellency's Note above quoted and this reply thereto shall constitute an Agreement between our two Governments effective January 7, 1979.

Accept, Excellency, the renewed assurances of my highest consideration.

Minister for Foreign Affairs

His Excellency
Richard W. Murphy
Ambassador of the United States
Manila

ARRANGEMENTS REGARDING DELINEATION OF UNITED STATES FACILITIES AT CLARK AIR BASE AND SUBIC NAVAL BASE; POWERS AND RESPONSIBILITIES OF THE PHILIPPINE BASE COMMANDERS AND RELATED POWERS AND RESPONSIBILITIES OF THE UNITED STATES FACILITY COMMANDERS; AND THE TABONES TRAINING COMPLEX

The Governments of the Republic of the Philippines and the United States of America have, with respect to the above-mentioned issues relative to the Philippines-United States Military Bases Agreement of 1947, as previously amended, this date agreed to the following:

I. The boundaries of the Philippine military bases known as Clark Air Base and Subic Naval Base and their extensions, as well as the boundaries of the United States Facilities therein, their extensions and depicted areas, and the special arrangements for the use thereof by Philippine and United States forces are contained in Annexes I and II hereto. The boundary lines represented on the maps and charts attached to the annexes are symbolic, and joint surveys to be conducted by representatives of the Philippine-United States Mutual Defense Board, are required to delineate precise boundaries.

II. The powers and responsibilities of Philippine Base Commanders (hereinafter referred to as Base Commanders) and the related powers and responsibilities of United States Facility Commanders (hereinafter referred to as United States Commanders), in addition to these contained in Annexes I and II hereto, are set forth in Annex III hereto. In the performance of their duties, the Base Commanders and the United States Commanders shall be guided by full respect for Philippine sovereignty on the one hand and the assurance of unhampered United States military operations on the other.

III. The Philippines and the United States, with respect to the United States Facilities, shall have the rights granted to each in relation to what heretofore were known as "United States bases" under the provisions of the Military Bases Agreement of 1947, as previously amended (other than Article I, Article XXVI and Annexes A and B thereof) and as modified this date.

IV. The boundaries of the Tabones Training Complex and the special operating arrangements for its use by Philippine and United States forces, pursuant to the exchange of Notes of December 22, 1965 between the Governments of the Republic of the Philippines and the United States of America, are contained in Annex IV.

V. The Philippine Government assures that United States forces access to, egress from, and movement between United States Facilities, depicted areas, other areas of the Philippine military bases which are made available for use of United States forces in this Agreement and related agreements, and the Tabones Training Complex shall be unimpeded.

ANNEX I

CLARK AIR BASE

A. General

The boundaries of the Philippine military base known as Clark Air Base and the United States Facility therein consisting of Clark Air Base Proper, the United States Air Force Transmitter site at O'Donnell and the United States Navy Transmitter site at Capas are portrayed on the map attached at Tab one. The State Department Regional Radio Relay Facilities located at Clark Air Base Proper and at O'Donnell, as reflected in green on the map attached at Tab one, will be addressed as appropriate through separate Government-to-Government action.

B. Delineation of the United States Facility and its extension:

1. Clark Proper Land Delimitation.

a. The map attached at Tab two portrays the United States Facility boundary in that portion of the base commonly referred to as Clark Air Base Proper.

b. The map also reflects the following agreed construction constraints/access rights applicable to the base land area on the east side of Clark Air Base Proper:

(1) Existing utilities/service lines and microwave sighting lines to remain clear and unimpeded.

(2) No building zone.

(3) Restrictions pertaining to occupied buildings and to structures taller than 50 feet or 80 feet.

(4) Overhead power line restrictions.

(5) Assured United States access to/from MacArthur Highway via the Mitchell Highway.

2. Wallace Air Station

a. Wallace Air Station shall be an extension of Clark Air Base and shall be under the command of the Base Commander of Clark Air Base.

b. The United States Facility within Wallace Air Station shall be an extension of the United States Facility at Clark Air Base and shall be under the command of the United States Commander of the United States Facility at Clark Air Base.

c. The map attached at Tab three portrays the boundaries of the base extension and of the United States Facility therein.

d. Both Philippine and United States units shall be based within the United States Facility at Wallace Air Station. Philippine structures and equipment at Wallace shall be under the control of the Base Commander of Clark Air Base. The Philippine Government missions and personnel based at Wallace

will be controlled by their designated organizations. United States operations, personnel, structures and equipment at Wallace will be under the command and control of the United States Commander of the United States Facility at Clark Air Base. There shall be joint utilization of the Wallace radar as agreed to by the Base Commander and the United States Commander. The existing United States structures and equipment at Wallace, which are jointly operated with the Philippine Air Force, shall be maintained and, as appropriate, improved by the United States Commander.

e. In case of a Philippine national emergency and loss of the Primary Philippine Air Defense Control Center (ADCC), the Philippine Air Force, in accordance with mutually agreed procedures, may assume control of the ADCC function at Wallace.

f. The Base Commander shall be responsible for providing perimeter security of the air station. The United States Commander shall be responsible for security of the facility extension.

g. The Voice of America Installation (reflected in green on the map attached at Tab three) will be addressed as appropriate through separate Government-to-Government action.

C. Special Operating Arrangements.

C. Special Operating Arrangements.

1. Crow Valley Weapons Range

The Base Commander shall administer the Crow Valley Weapons Range which is reserved for joint use of Philippine and United States forces. The United States activities within the range shall be limited to those appropriate to the operation, maintenance, improvement and security of the range. The United States Commander shall operate, maintain, improve and secure the Crow Valley Weapons Range and associated United States equipment/installations within and without the range, reflected on the map attached at Tab four, including but not limited to the target areas, runway, fixed operating locations and mobile site locations, and provide weather and explosive ordinance disposal services. The scheduling of the range shall be the responsibility of the United States Commander. In this connection, the United States Commander shall coordinate closely with the Base Commander to insure, to the maximum extent possible, that the training requirements of Philippine and United States forces are satisfied. The utilization of the range shall be reported monthly to the Base Commander.

2. John Hay Air Station

a. John Hay Air Station shall be an extension of Clark Air Base and shall be under the command of the Base Commander of Clark Air Base. The map attached at Tab five portrays the boundaries of the base extension.

b. A portion of John Hay Air Station as depicted on the map attached at Tab five, shall be reserved for the use of United States forces primarily as a rest and recreation center and shall be under the command and control of

the United States Commander of the United States Facility at Clark Air Base, who shall be responsible for the security of the Depicted Area.

c. Armed Forces of the Philippines personnel, in addition to United States personnel, may use United States recreational, lodging and dining activities within the Depicted Area. Other personnel, as appropriate, may use United States recreational and dining activities therein. Such uses will be in accordance with procedures to be agreed upon by the Base Commander and United States Commander.

d. The United States Commander of the United States Facility at Clark Air Base is also assured the right to use, control, maintain, and improve as appropriate the existing hydro-electric power production and transmission equipment located outside the Depicted Area but within John Hay Air Station. Any major improvement thereof, however, shall be subject to agreement of the Base Commander and United States Commander.

e. The Philippines and the United States are authorized, with respect to the Depicted Area, to exercise the rights granted to each in relation to what were heretofore known as "United States bases" under the provisions of the Military Bases Agreement of 1947, as previously amended (other than Article I, Article XXVI and Annexes A and B thereof) and as modified this date.

f. The Voice of America installation as reflected in green on the map attached at Tab five, will be addressed, as appropriate through separate Government-to-Government action.

ANNEX II

SUBIC NAVAL BASE

A. General

The boundaries of the Philippine Military Base known as Subic Naval Base and the United States Facility therein are portrayed on the map attached at Tab one.

B. Delineation of United States Facility and Its Extension

1. Industrial Area

a. The boundary of a portion of the United States Facility commonly referred to as the Industrial Area is shown in greater detail on the map attached at Tab two.

b. United States forces shall be authorized to use jointly with Philippine forces the existing buildings in the vicinity of the Main Gate, such as the Armed Forces Police Headquarters, the Pass Office, and the Main Gate Guard House, in accordance with procedures to be mutually agreed upon between the Base Commander and the United States Commander.

c. United States recreational areas/structures, Zumwalt Housing, and the MARS building which are located outside of the United States Facility, will be relocated within the United States Facility. They will remain available for

use by United States forces at their present location until so relocated. Relocation will be accomplished as the land sites are required for improvement by the Base Commander and in accordance with a phased schedule to be agreed upon by the Base Commander and the United States Commander.

d. Arrangements for the continued operation of transportation and banking services for Philippine and United States personnel in the Main Gate area shall be worked out by the Base Commander and the United States Commander.

2. Kalayaan Housing Area.

The map attached at Tab three portrays in greater detail the boundary of that portion of the United States Facility commonly referred to as the Kalayaan Housing Area.

3. San Miguel Naval Communication Station.

a. San Miguel Naval Communications Station shall be an extension of Subic Naval Base and shall be under the command of the Base Commander. The United States Facility within the station shall be under the command of the United States Commander of the United States Facility at Subic Naval Base. The map attached at Tab four portrays the boundaries of the station and of United States Facility therein.

d. Activities within the station, including construction, shall be limited to those which do not interfere with United States communications.

C. Special Operating Arrangements.

1. Subic Bay Waters

a. The Base Commander shall administer and control Subic Bay waters.

b. The Philippine Government assures unimpeded access to, egress from, movement within, and operational use of the waters of Subic Bay by United States Government vessels and vessels chartered or engaged wholly or partially by or on behalf of the United States. The Philippine Government also assures United States use of those anchorages depicted on the chart attached at Tab five, which are reserved for military use. The Base Commander and United States Commander shall develop and promulgate agreed policies and procedures to carry out these assurances and to provide for appropriate use of the Depicted Reserved Waters (as identified in paragraph C below) by vessels of the Philippine Navy.

c. A portion of Subic Bay waters as depicted on the chart attached at Tab five shall be reserved for United States forces' use, for appropriate use by vessels of the Philippine Navy, and for such other uses as may be agreed upon by the Base Commander and the United States Commander. Within the Depicted Reserved Waters, the United States Commander is authorized to control movement and operation of ships and waterborne craft, to assign priorities of anchorages, berths and moorings, and to perform such other activities as may be appropriate for efficient and safe navigation and unhampered operation of United States forces.

d. The Base Commander shall be responsible for the security of the Subic Bay waters outside of the Depicted Reserved Waters. The United States Commander shall be responsible for the security of the Depicted Reserved Waters. Participation by Armed Forces of the Philippines personnel in the security activities of United States Forces and by United States Forces' personnel in the security activities of the Armed Forces of the Philippines shall be provided for in that portion of the agreed security plan relating to Subic Bay waters.

e. The United States Commander is authorized to maintain the channels within Subic Bay and to operate, maintain and improve United States navigational aids within Subic Naval Base. The channels outside the Depicted Reserved Waters are delineated on the chart attached at Tab five.

f. The Base Commander shall exercise port control except in the Depicted Reserved Waters, the port control of which shall be exercised by the United States Commander. The Base Commander and the United States Commander shall closely coordinate and the port control office shall be jointly manned in order to ensure that relevant policies and procedures are implemented effectively at the working level.

2. Grande Island

The Base Commander shall administer Grande Island (including Chiquita Island) which is reserved for military use. The United States Commander is authorized to operate, maintain, improve and secure United States existing operational and recreational equipment, structures and improvements and sales outlets, pursuant to Article XVIII of the Military Bases Agreement, on the island. Activities within Grande Island, including construction, shall be limited to those which do not interfere with United States operational and recreational activities on the island. In addition to United States personnel, Armed Forces of the Philippines personnel posted in Subic Bay and such other personnel of the Armed Forces of the Philippines as may be agreed upon by the Base Commander and the United States Commander may use United States recreational activities on Grande Island. Such use by Armed Forces of the Philippines personnel will be in accordance with procedures to be agreed upon by the Base Commander and the United States Commander. The agreed security plan shall provide for joint security on the island.

3. Subic Watershed

a. The Base Commander shall administer the Subic Watershed as depicted on the map attached at Tab six. The Depicted Watershed Area shall be reserved for the water needs of the base and for such other uses as may be agreed by the Base Commander and the United States Commander and its forest resources shall be protected and preserved in conformity with the provisions set forth below.

b. The Base Commander and the United States Commander shall agree upon a Joint Forest Resources Management Program for the Depicted Watershed Area. The program shall include, *inter alia*, provisions for preservation

and protection of existing forest resources. The United States Commander is authorized to carry out the agreed Joint Forest Resources Management Program.

c. The Base Commander shall be responsible for security external to the Depicted Watershed Area. The United States Commander shall be responsible for the internal security of the Depicted Watershed Area. The security activities of Philippine and United States forces in fulfillment of these respective responsibilities shall be carried out in accordance with the agreed security plan for the Subic Naval Base which shall provide for participation by personnel of the Armed Forces of the Philippines in the security activities of United States forces within the Depicted Watershed Area.

d. United States and Philippine forces are authorized to conduct troop training within the Depicted Watershed Area. United States forces are also authorized to conduct troop training within the Jad-Jad Watershed Area. Troop training within the Depicted Watershed Area and the Jad-Jad Watershed Area shall be conducted in a manner that will not harm the watershed and their forest resources nor interfere with the conduct of the Joint Forest Resources Management Program.

e. The scheduling of troop training within the Depicted Watershed Area shall be the authorized function of the United States Commander. In this connection, the United States Commander shall coordinate closely with the Base Commander to insure, to the maximum extent possible, that the training requirements of Philippine and United States forces are satisfied. The actual utilization of the Depicted Area for troop training shall be reported monthly to the Base Commander by United States Commander. The scheduling of troop training with the Jad-Jad Watershed Area shall be the function of the Base Commander who shall coordinate closely with the United States Commander to insure, to the maximum extent possible, that the training requirements of Philippine and United States forces are satisfied.

f. Activities within the Depicted Watershed Area shall be limited to these appropriate to the maintenance, improvement, protection and security of the watershed and its forest resources and the conduct of troop training therein.

4. Zambales Amphibious Training Area

a. The Base Commander shall administer the Zambales Amphibious Training Area, as portrayed on the map attached at Tab seven, which is reserved for military training use of Philippine and United States forces.

b. The Base Commander shall ensure the continuous availability of the Amphibious Training Area for the use of Philippine and United States forces. The scheduling of the Training Area shall be the responsibility of the United States Commander. In this connection, the United States Commander shall coordinate closely with the Base Commander to insure, to the maximum extent possible, that the training requirements of Philippine and United States forces are satisfied. The actual utilization of the Training Area shall be reported monthly to the Base Commander by the United States Commander.

c. The Base Commander shall be responsible for the overall security of the Training Area. The agreed security plan shall provide for joint security of the Training Area when Philippine and United States forces are conducting joint training or when United States Forces alone are using it.

d. The Base Commander and the United States Commander shall develop and promulgate agreed rules and procedures with respect to the utilization, safety, maintenance, and improvement of the Training Area.

e. Activities within the Training Area shall be limited to those appropriate to the utilization, safety, maintenance, improvement and security of the Training Area and to the conduct of military training therein.

ANNEX III

POWERS AND RESPONSIBILITIES OF THE BASE COMMANDERS AND THE RELATED POWERS AND RESPONSIBILITIES OF THE UNITED STATES COMMANDERS

1. The bases covered by this Agreement are Philippine military bases and shall be under the command of Philippine Base Commanders.

2. The United States Commanders shall exercise command and control over the United States Facility, over United States military personnel, over civilian personnel in the employ of the United States forces, over United States equipment and material, and over military operations involving United States forces.

3. In the performance of their duties, the Base Commanders and United States Commanders shall be guided by full respect for Philippine sovereignty on the one hand and the assurance of unhampered United States military operations on the other. They shall maintain close contact and coordination to ensure that the activities of the Philippine and the United States forces within the bases are conducted in a manner consistent with the provisions of this Agreement. They shall promote cooperation, understanding and harmonious relations within the base and with the general public in the proximate vicinity thereof.

4. The Base Commanders shall formulate and issue plans, policies and implementing directives concerning security, administration, maintenance of order and related matters applicable throughout the base. However, on matters affecting the United States Facility, United States military personnel, civilian personnel in the employ of United States forces, dependents of those personnel, operations of United States Forces, or United States equipment or material, such plans, policies and implementing directives shall be agreed upon with the United States Commanders. The United States Commanders shall likewise issue such plans, policies and implementing directives to the United States forces, to civilian personnel in the employ of United States forces, and to dependents of those personnels.

5. The Base Commanders and the United States Commanders shall create such instrumentalities as may be necessary to assist them in the formulation and coordi-

nation of such agreed plans, policies and implementing directives mentioned in paragraph 4 above.

6. The Base Commanders shall be responsible for the overall security of the base; however, the United States Commanders shall be responsible for the security of the United States Facility and certain depicted areas as provided for in this Agreement. The Base Commanders shall be responsible for control of base gates in accordance with mutually agreed rules and procedures. The United States Commanders may participate in security activities within the base but outside the United States Facility and off the base in accordance with mutually agreed procedures. The Base Commanders and United States Commanders shall contribute security forces to carry out the agreed security plan.

7. Except as otherwise provided, to the extent that a matter or issue concerns dealings by or with Philippine authorities relating to the responsibility of the Philippines with respect to the administration, security, operations and control of the base, the Base Commanders or their duly designated representative shall be the initial point of contact. The United States Commanders or their duly designated representative shall be the initial point of contact on matters or issues relating to United States Forces, United States military personnel, civilian personnel in the employ of United States forces, or dependents of those personnel, and on matters or issues relating to the United States Facility or United States equipment or material.

8. The Base Commander of Clark Air Base shall station a Liaison Officer at Clark Radar Approach Control and shall designate a representative who shall have free access to the Clark Air Base Control Tower. The Base Commanders of Clark Air Base and Subic Naval Base shall each station a representative at the respective Base Operations Offices of the United States Facility at Clark Air Base and Subic Naval Base.

9. The Base Commanders shall coordinate the activities of officials of the Philippines civil agencies performing functions at the base or at the United States Facility. Appropriate administrative arrangements for these officials at the United States Facility shall be agreed upon between the Base Commanders and the United States Commanders.

10. The Base Commander and United States Commander shall undertake engineering consultations on any major construction or major alteration which results in substantial changes to existing construction within the bases and shall see to it that such construction or alteration will not hamper the operations of Philippine or United States forces.

11. An inventory listing of buildings and other permanent constructions within the United States Facility will be provided by the United States Commanders to the Base Commanders. This inventory listing will be jointly reviewed on an annual basis to ensure its accuracy.

12. The Base Commanders and the United States Commanders shall cooperate in the prevention and control of drug abuse and trafficking in dangerous drugs and other contraband within the base.

ANNEX IV

TABONES TRAINING COMPLEX

1. The Tabones Training Complex shall continue to be made available to United States forces on a combined use basis pursuant to the agreement effected by exchange of notes of December 22, 1965 and existing operating procedures established through the Mutual Defense Board.
2. The Tabones Training Complex, also referred to as the Nazasa Bay—Tabones Island impact area plus the Southwest Zambales—Troop Training Area, as depicted on the map attached at the Tab, is not part of the Subic Naval Base but is reserved for military training of Philippine and United States forces. The Training Complex specifically consists of the Tabones Islet Target Area, Los Frailes Target Area, Leon Creek Naval Gunfire Range, Wild Horse Creek Close Air Support Range, and the Southwest Zambales—Troop Training Area.
3. The scheduling of the use of the various training areas within the Training Complex shall be the joint function of the Base Commander and United States Commander in accordance with the following procedures. The Base Commander shall, in addition to his other functions, perform the functions which were previously assigned to the Philippine Military Liaison Officer, Subic, with respect to the Training Complex. The Base Commander shall ensure the continuous availability of the various training areas within the Training Complex for the use of Philippine and United States forces. The Base Commander shall, upon the request of the United States Commander, affirm the availability of the training areas on a quarterly basis to the United States Commander and shall advise the United States Commander of the training requirements of the Armed Forces of the Philippines for that quarter. The United States Commander is authorized to accomplish the detailed scheduling of the use of the training areas, including the requirements of the Armed Forces of the Philippines. The actual utilization of those areas shall be reported monthly to the Base Commander by the United States Commander.
4. The Base Commander and United States Commander shall cooperate closely to ensure the safe and efficient use of the Training Complex. Any change to existing operating procedures for the use of the Training Complex shall be accomplished through the Mutual Defense Board.

APPENDIX XIII

MALACANANG
Manila

PRESIDENTIAL DECREE NO. 576

ABOLISHING THE MEDIA ADVISORY COUNCIL AND THE BUREAU OF STANDARDS FOR MASS MEDIA, AND AUTHORIZING THE ORGANIZATION OF REGULATORY COUNCILS FOR PRINT MEDIA AND FOR BROADCAST MEDIA.

WHEREAS, certain conditions existed in the country at the time of the promulgation of Proclamation No. 1081 which had necessitated temporary government control and supervision of mass media;

WHEREAS, since the abolition of the Mass Media Council and the creation in its stead of the Media Advisory Council, the various sectors of mass media have shown capability for self-regulation and internal discipline within their ranks and have demonstrated responsibility for maintaining standards for professional conduct and excellence;

WHEREAS, the prevailing national situation has become appropriate for taking a further step towards removal of government participation in policy determination and news dissemination activities of mass media.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby decree:

SECTION 1. It is hereby declared to be the policy of the State to allow mass media to operate without government intervention or supervision in policy determination and news dissemination activities. For the accomplishment of this purpose, the Media Advisory Council created under Presidential Decree No. 191 and the Bureau of Standards for Mass Media authorized to be created under Letter of Implementation No. 12 dated November 1, 1972, are hereby abolished.

SEC. 2. For purpose of this Decree, mass media shall be divided into two groups: Print Media and Broadcast Media. "Print Media" includes all newspapers, periodicals, magazines, journals, and publications and all advertising therein, and billboards, neon signs and the like. And "Broadcast Media" includes radio and television broadcasting in all their aspects and all other cinematographic or radio promotions and advertising. The Print Media group and the Broadcast Media group are hereby authorized to organize and determine the composition of a body or council within each group which shall be responsible for instituting and formulating systems of self-regulation and internal discipline within its own ranks.

SEC. 3. Each regulatory council or body shall be responsible for the elevation of the ethics and the standards of excellence of mass media in all its phases within each group. Towards this end, each council or body is hereby authorized to adopt policies, formulate guidelines, fix standards and promulgate rules and regulations for the operation and discipline of all mass media under its supervision, and to administer and enforce the same. Such policies, standards, guidelines, and rules and

regulations shall be in conformity with the provisions of existing laws, especially those on national security.

SEC. 4. No mass media activity shall be undertaken by any person or entity in the Philippines without first being registered with the regulatory council or body concerned, which shall issue certificates of registration to all applicants qualified under its respective rules or regulations; *Provided:* That each council shall have the authority to suspend or cancel such certificates of registration for such cause or causes as may be provided in the rules and the existence of which each council or body shall have duly determined; *Provided, further:* That no certificate of registration shall be granted in any manner or under any condition to any of those engaged in mass media which were, in September 1972, ordered closed and/or sequestered upon promulgation of Proclamation No. 1081, by order of the President or the Secretary of National Defense.

SEC. 5. All existing permits for the operation of mass media on the date this decree takes effect shall continue to be valid unless otherwise suspended or withdrawn for cause by the council or body concerned.

SEC. 6. All government agencies are hereby enjoined to extend their utmost assistance and cooperation to the councils.

SEC. 7. All laws, decrees, rules and regulations or any part thereof, which are inconsistent with this decree are hereby repealed or modified accordingly.

SEC. 8. This decree shall take effect immediately.

Done in the City of Manila, this 9th day of November, in the year of Our Lord nineteen hundred and seventy-four.

(Sgd.) FERDINAND E. MARCOS
President
Republic of the Philippines

BY THE PRESIDENT:

(Sgd.) ALEJANDRO MELCHOR
Executive Secretary

Appendix XIV

"A Host of Errors, Misconceptions and Hasty Judgments."

By CARLOS P. ROMULO
Minister of Foreign Affairs

The article entitled "Powder Keg in the Pacific" which appeared in the September 24, 1979 issue of TIME magazine contains a number of errors, misconceptions, and hasty judgments about the present situation in the Philippines which are repeated elsewhere in the foreign press. For the benefit of those who rely solely on these sources for information about the Philippines, and for the sake of fairness, I would like to comment on certain bald assertions in this publication and to submit facts, not conjectures, which the reader may find useful on which to base a more objective assessment of the conditions of life which Filipinos, and their guests, can expect to find in the Philippines today.

The allegations that follow are from the TIME article mentioned:

1. That "*poverty and hunger affect most of the Philippines' 46.5 million people*" shows how the writer mixes fantasy with fact. While poverty may affect most of our people, certainly hunger does not.

2. That "*abuse of power by the military has alienated millions of Filipinos from government*" is an obvious hyperbole.

3. It refers to graft as if it pervades the country, as it does with respect to alleged military abuses. There are instances of corruption and military abuses but these have been identified, isolated, investigated, corrected, and guilty parties punished. The cases that are utilized as examples in the article cannot be more than an insignificant few.

To say that one must pay a "kickback" to obtain every government contract is obviously false. Government contracts are given out by the thousands. There may be a few where anomalies are committed. It is for this reason that an Ombudsman, or government investigator, the *Tanodbayan*, was established by the President so that cases of this kind can be filed before the *Sandiganbayan* (a special court) as they are indeed being filed.

4. That "*Marcos pre-empted his country's Constitution by proclaiming martial law on September 21, 1972*" is a falsehood. The Philippine Constitution provides that "in case of invasion, insurrection, or rebellion or imminent danger thereof, when the public safety requires it, (the President) may suspend the privilege of the writ of habeas corpus, or place the Philippines or any part thereof under martial law." (Sec. 12, Art. IX. 1973 Constitution).

In view of the rebellion, President Marcos, on the advice of representatives of all segments of the society, proclaimed martial law.

5. The article also adverts to Marcos' decision to suspend the legislature. President Marcos never did suspend the legislature. The old Congress which was not meeting at that time was replaced by the National Assembly or *Batasang Pam-*

bansa by the provisions of the new Constitution which was approved and ratified before the old Congress could hold any session. The Constitution was approved by a Constitutional Convention elected in 1971.

6. That "*a slump in the world price of sugar, which is the mainstay of Philippine exports, etc.*", is a half-truth. Philippine sugar has never been the mainstay of Philippine exports. It is only one of the big export items, which include coconut products, logs, mineral ores, abaca, bananas, etc.

7. That inflation "*is expected to exceed 80% this year*" is highly speculative. If one is to base his expectation on what economists say, the forecasts of all economists, foreign or local, is that inflation will not exceed 20% this year.

8. That "*many families must spend 70% to 80% of their total income just on food*" is false. In the Philippines as anywhere else, the food basket is about 50% of family expenditures. Since the Philippines now produces a rice surplus, the price of rice for consumers has been stabilized and subsidized at government prices. This is important because rice is the price index of the food basket.

9. That "*for millions, their country's poverty means hunger and starvation*" is surely an exaggeration for in the Philippines the poor family that is also a starving family is the exception rather than the rule.

10. That "*government surveys show that serious malnutrition affects 30% of all Filipino children and as many as 80% in the poorest provinces*" is a gross exaggeration. The Philippines has been chosen as a model for the United Nations Nutrition Program.

That "*Mrs. Marcos' programs (on nutrition) affect only a small minority of the hungry*" is, again, a falsity. Even in the day-care centers alone some 2,079,486 pre-schoolchildren and mothers are served.

11. That "*many priests and nuns (to) help the Communists against Marcos*" is false. A "handful" would be more correct. And to say that they are motivated, as alleged by the article, by hostility to martial law is also incorrect. As Communist sympathizers they are against government, and they were so even before martial law.

12. That Mrs. Marcos plans to have a 14-chapel basilica to cost over \$100 million but which Marcos cancelled when Cardinal Sin objected to it is a misstatement. The truth is that Cardinal Sin gave a written permit for the project (one chapel, not fourteen) and then withdrew it.

13. That "*Washington has now made clear to Marcos that it would like him to lift martial law and restore democratic processes*" is a falsity. No such message has been received. No such message is expected to be conveyed. For the recasting of democratic processes started with the drafting of the Constitution and its ratification in 1972-1973, at our own initiative, not the United States'.

14. That "*corruption is endemic in the Philippines*" and that "*one scheme that apparently generates enormous bribes is the system of government guarantees for loans made by foreign lenders to Filipino businessmen*" are a flight of the imagina-

tion. These are few cases of suspected bribery, but certainly not on such a scale as to be "endemic."

15. That graft at military checkpoints such as "30% for every sack of copra going to market" is a falsity. Such cases of military abuse are rare and are quickly corrected.

16. That the statement "*few Filipinos believe such sackings can make much of a difference or that mere dismissal is a sufficient deterrent*," followed by another statement, "*more significantly, in the same speech Marcos drew a cheer from assembled soldiers when he announced another round of military pay raises*" is a distortion. The author makes it appear that raises have been frequent. The fact is, the last one was in 1975. The pay was raised by about 10% to accommodate the rising cost of commodities, and bring the level of soldiers' pay to that of janitors and street sweepers in Manila.

17. That "*military helicopters ferrying the dead are an almost daily sight at Zamboanga City*," is implausible. Only four helicopters service Zamboanga for the military. Casualties (those killed in action) now do not exceed a hundred a year.

That the New People's Army counts with "*hundreds of quicksilver squads*" is a figment of the imagination. Ten would be more credible.

18. That "*Marcos forces (last year) had to do some urgent ballot-box stuffing to prevent Aquino from outpolling Imelda in a legislative election*" and that Aquino, as a free man (as some diplomats reportedly believe), could "*defeat Marcos handily in a national election*" are both fiction.

In the elections of 1978, the evidence obtained by the Commission on Elections which ran the election showed that the frauds were committed by the men of Aquino, not of Marcos. Diplomats and foreign correspondents covered the election.

President Marcos has always offered to pardon Aquino, but after his conviction for murder and subversion, Aquino chose to appeal to the Supreme Court where the case now pends.

19. That Marcos "*definitely declare(s) that he has no intention of lifting martial law imposed in 1972*" is a misreading of the event relating to the declaration. The speech before the soldiers was a simple and sober explanation why soldiers have to maintain high standards of morality and professionalism in the performance of their duty. There was no defiance in that speech.

20. That democratic processes do not exist in the Philippines is a false and hasty judgment. No observer, no matter how casual, can deny that civil rule prevails. There is a legislature, the members of which were elected in the contests of April 7, 1978. *Barangay* (local and village) leaders are also elected by electorates that include the 15-year old and up. If some features are not familiar to the foreign observer, that is because the democratic process or form that our people desire must be in accordance with our traditions.

The judiciary functions, and the Supreme Court have repeatedly reviewed all actions taken by the President even under martial law. The President has consist-

ently submitted his acts to the judiciary, especially to the Supreme Court, to answer any charge of abuse.

There is not a single case of criticism in the media which has caused the President to punish anybody. Causes for libel charges certainly exist, and aggrieved parties are free to file suit. But the President has not taken any action against his political opponents for this reason. In fact, the libelous and patently subversive book of ex-President Macapagal was the occasion for President Marcos' giving Macapagal clearance to leave for abroad to fulfill speaking engagements that were nearly certain to be as critical and libelous as his book.

What follows is a more extended and detailed treatment of the current situation in the Philippines.

The Popular Mood

It is said that with the continuance of martial law, "*anger and rebellion*" is rising among the Filipino people.

This is refuted by a recent survey of Metro Manila and the surrounding regions which reveals that the majority of the population (71% of those interviewed) consider themselves to be "happy" despite economic difficulties. Twenty-one percent said they were not happy because of economic difficulties. Forty-eight percent said their conditions have improved, 24% said these have remained the same or improved a little, and 26% said conditions have deteriorated.

Less than 1% or a mere 53%, believed martial law should be lifted. This figure suggests the numerical support that the opposition, or those who advocate the lifting of martial law, commands among the people.

Economic Stability

The figures on the popular mood are reflected by indicators of economic stability.

The TIME article portrays Philippine economic problems as if they are singularly produced by martial law. But at the same time it mentions the low world price of sugar, the rate of inflation, "*higher oil costs and looming general recession.*" Anyone who is aware of the world economic situation knows that all these are the effects of adverse external forces, creating real problems for the Philippines as they also do for many other countries.

The article ignores the fact that the Philippines under martial law weathered the economic crises of the past five years better than most countries. The annual growth rate of GNP since 1973 is 6.5%, compared to 4.9% in 1972, the year martial law was declared. In 1978, a difficult year for many countries, the economy grew by 6.1%. The *per capita* GNP in 1978 is \$524 whereas in 1972 it was \$214.

Foreign Exchange Resources

The stability and dynamism of the Philippine economy is now widely acknowledged by the international community.

A clear indication of the sound position of the economy is the increase, by NSIPEL founded offshore banking units in the Philippines, of total resources from

\$757 million to \$2.46 billion in June 1979. The foreign currency deposits in the Philippine banking system have increased in total resources from \$1.2 billion in 1977 to \$3.4 billion in June 1979.

The World Bank in its recent annual report said that the Philippine Government "has been successful in accelerating economic growth in the 1970's through increasing public investment and improving agricultural performance, by offering increased incentives to farmers, expanding irrigation and other inputs and by making more available high yielding varieties of seeds."

According to the World Bank, "since 1970, the growth of manufacturing exports has also been impressive, albeit from what was initially a small base." It also said that "the government's land reform program has benefited tenant farmers in rice-growing and maize-growing areas; steps are being taken to improve supplementary services for them."

Reviewing the situation in East Asia and the Pacific, the report said that "in Fiscal 1979, the economic performance of the Bank's major East Asian countries—Indonesia, Korea, Malaysia, the Philippines and Thailand—continued to build on its impressive record of the last 15 years. Per capita Gross National Product growth rates were again substantially higher than the average for all developing countries.

"This record of economic and social progress can be attributed to a number of factors: political stability, generally strong commitment to development, a large increase in investment levels, high priority given to agriculture and export sectors, an unprecedented rapid increase in international trade and last but not least generally sound and pragmatic economic management."

It is quite pertinent to note that economic development has been pursued under martial law with the conscious design of uplifting the common man. The strategy of Philippine development is to provide more support to expenditures and investments benefiting workers, farmers, and the rural areas. The result of this strategy is that income distribution, while still admittedly unequal, has improved. The lowest 20% of the population have raised their income share from 3.6% in 1971 to 5.5% in 1975, and the lower 50% increased their income share from 17.6% to 20.5% for the same period.

TIME talks about rising prices, but overlooks rising income. The minimum wage in industry has increased ahead of the erosion of purchasing power. Since 1972, minimum wages have almost tripled while prices have just doubled.

In the rural sector, the growth of productivity has been high, yields in terms of rice harvests have more than doubled, in many cases trebled, because of government support to agriculture with its investment programs. The Philippines has become a rice surplus countryside four years ago as a result of these successful programs.

Political Stability: The Question of Succession

It is suggested in overseas press reports that the matter of succession to the leadership of the country poses a political problem in the Philippines. The Constitution ensures continuity in the functioning of the government by providing for a sys-

tem of succession in Article VII. Section 3 of this article states: "In case of permanent disability, death, removal from office, or resignation of the President, the Speaker of the National Assembly shall act as President until a successor has been elected for the unexpired portion of the term of the President."

Section 2 of the same article provides that "The President shall be elected from among the members of the National Assembly by a Majority vote of all its members for a term of six years from the date he takes his oath of office, which shall not be later than three days after the proclamation by the National Assembly, not in any case earlier than the expiration of the term of his predecessor."

On several occasions, President Marcos has stated that this is the procedure of succession in the event he dies in office or is disqualified from continuing as President or Prime Minister. The Speaker of the *Batasang Pambansa* shall act as President until the *Batasang Pambansa* elects a successor from among its members. The people have accepted this as the procedure for succession.

The present members of the *Batasang Pambansa* were elected in April 1978. They may hold office for six years, consequently the members of the Permanent National Assembly will be elected in 1984. In accordance with the Constitution they will decide in 1984 who shall then hold the posts of President and Prime Minister.

Peace and Order

The peace and order situation in the country is far from gloomy as depicted by the TIME article. Its reference to "*surrounding rural areas*" of Metro Manila as having been "*liberated*" by Communist insurgents is pure fantasy, as anyone who has recently been to Manila knows. While they continue to be a menace to the security of the country, the Communist insurgency has been effectively contained, its activities largely confined to small, isolated areas. The armed rebellion in the South, which has reportedly linked up with the Communist movement in the north, has likewise been contained, and the government expects that within the year negotiations for cessation of MNLF activities shall be completed. The likelihood that these movements would regather strength is doubtful in view of the success of government programs in rural areas of the country.

Contrary to TIME, violent crime is far from "*soaring*." While the crime rate in Metro Manila rose slightly after the curfew was lifted, the capital city still has one of the lowest index compared to any of the five biggest cities of the United States—Chicago, San Francisco, Los Angeles, New York and Detroit. During the first two months of 1979, the nationwide monthly incidence was 15.92 crimes per 100,000 population, 23.8% less than the figure for the same period in 1978 and 25.8% less than that for 1971.

The Nutrition Program and Health Delivery System

The TIME article suggests the prevalence of hunger in the Philippines by dramatizing the malnutrition problem in the country. There is no question that malnutrition is a problem, despite the tremendous strides made in food self-sufficiency. The article, however, blithely dismisses "as show business" the serious innovative efforts in the country to eradicate the problem.

In contrast, the Nutrition Program of the Philippines was cited twice by the United Nations as a model Nutrition Program. Indeed it is one of the most advanced nutrition programs in the developing world. It is a program that includes food assistance to families with malnourished children, health protection, food protection, family planning and nutrition information and education. The government has set up five regional Nutripak plans and 74 Nutripak processing centers. A total of 100 more Nutripak processing centers are being built.

Day-care services have been established to ensure the adequate and normal development of pre-schoolchildren from submarginal income families. These centers provide creative group activities and supplementary feeding for children, nutritional education and family planning motivation and information for mothers. Some 2,079,486 pre-schoolchildren and mothers all over the country are served by 4,000 day-care centers.

Health services, particularly in the rural areas, have been expanded. There is now one hospital bed available for every 589 persons, as compared to one bed for every 810 individuals in 1972. Additional medical and health personnel have been made available in the rural areas by deploying 49,849 nursing graduates and 6,466 underboard doctors, and by training more than 15,000 midwives and *hilot* (barefoot paramedics) as of 1978.

Health insurance has been expanded to include all dependents of employees and employers. As of June 1979, 5.7 million persons have been given financial support for hospitalization through the medicare program. Likewise, retirement, sickness, disability and death benefits amounted to P478 million in 1978. More benefits are being considered.

As of 1978, more than 1.1 million 0-6-year old children received immunization. BCG vaccines were given to all susceptible individuals, particularly infants and school entrants, as part of the Tuberculosis Control Program. The Malaria Eradication Program was intensified, while communicable diseases such as cholera and El Tor were kept under control.

In addition, a project on the eradication of intestinal parasitism among schoolchildren was undertaken. Endemic goiter was controlled through improved nutrition via an iodized diet.

A regular weighing program was instituted through "Operation Timbang" which permits immediate nutritional intervention. A number of protein-rich foods were developed and selected food products were enriched as part of the overall program to boost health levels among the population through better nutrition.

As a result of such measures the life expectancy level increased from 59 years in 1972 to an estimated 61 years in 1978. Infant mortality rate decreased from 78 deaths per 1,000 live births to an estimated 72 deaths in 1978.

Urban Renewal

Another Philippine program designed to uplift the well-being of the masses, and one that was cited by the World Bank and the United Nations as a model for the

developing world, is the program on urban renewal. The program for Metro Manila has become the master model for the human settlements concept that is being implemented all over the country.

People-oriented, rationally planned, and far-seeing, the Metro Manila program seeks to respond in integrated fashion to 11 basic human needs: water, power, food, shelter, clothing, health services, education and culture, sports and recreation, ecological management, mobility, and livelihood.

Management, Mobility, and Livelihood

Under the program, the government not only provides shelter for disadvantaged families but also concerns itself with the total physical and socioeconomic conditions of the community. The zonal improvement program involves on-site physical improvements with supportive socioeconomic programs in Metro Manila's slums and blighted areas, to eliminate slum conditions and thus to insure a respectable life even for the most disadvantaged residents. On-site improvements begin with the provision of water, power, sewer lines and public toilets, drainage, roads and foot-paths. The government provides additional new housing or assistance to improve existing structures, and initiates provision of basic community amenities for study, worship and recreation as well as health facilities, job training and job placement services.

For urban development and renewal, the Philippines recently inaugurated an urban land reform program, thus placing the entire country under land reform. This program is not meant to expropriate urban lands, but merely to control and regulate land use. It seeks to curb nonrational utilization and its harmful effects on the general public. This is accomplished by requiring landowners to secure a permit from the regulatory committee of the Human Settlement Commission before they can sell property or put up a structure on it.

Graft and Corruption

Lastly, the TIME article claims that corruption permeates Philippine Government and society.

The Philippine government has in fact pursued a relentless campaign to reduce or eliminate graft and corruption. It quickly implemented the provisions of the Constitution which create a *Sandiganbayan*, a special court which has the power to hear and decide criminal and civil cases, involving graft and corruption, and the *Tanodbayan*, or office of the Ombudsman, a prosecution office designed to receive and investigate complaints relative to public office. It has stepped up the campaign against corruption at all ranks and levels of government.

The Government does not, and will not, tolerate abuses especially those committed by the military, aware as it is how much such abuses erode public confidence in the duly constituted authorities. It encourages the ventilating of such abuses and complaints in the mass media and appropriate government channels. It encourages members of the clergy, civil officials, civic leaders and the citizenry to come out openly and denounce abusive military personnel. There is a standing order to all military and police units "to observe at all times the human rights of indi-

viduals in the conduct of their operations, even against suspected enemies of the state; that persons arrested or captured in operations must be treated with dignity and in accordance with the tradition of the noble profession of arms. Any violation will be ground for summary dismissal of the offending personnel without prejudice to criminal prosecution." Recently, the military prohibited the use of "disreputable or notorious characters" in the conduct of military or police operations, following reports that some persons of dubious character go with military police teams in arresting subversive suspects.

In these as in other instances, the government is quick to correct any aberrations and to institute needed reforms in its day-to-day operations.

With what it has already accomplished, and efforts to accomplish more, the Philippine Government—I can say with all confidence—is providing the people of this country with the means with which to overcome the difficulties that face them in an increasingly refractory world. Most importantly, the ordinary citizen is now able to look forward to a life of dignity in communities that he had a hand in shaping. As he participates more fully in his community, he becomes better able to participate in the shaping of a better world.

Appendix XV

His Excellency
Ferdinand E. Marcos
President of the Republic of the Philippines
Malacañang, Manila

My dear Mr. President:

Your Excellency will recall that on March 20, 1973, I offered to sell all the shares that my brother, Fernando, and I and the members of our respective families own in Meralco Securities Corporation. As I stated in my cable to you last September 13, 1973, we still feel that in line with your call to the private sector to meet the laudable objectives of the New Society, we would like to have the opportunity to participate in your program to democratize wealth and property for the greater good of our people.

I am now writing this letter to indicate the details that I hope would enable your Excellency to make a decision on my offer.

As you know, Benpres is the holder of 27.2% of the outstanding capital stock of Meralco Securities Corporation ("MSC"). I would like to submit for your consideration a proposal pursuant to which Benpres would sell its holdings of MSC shares, on the basis of a self-liquidating investment, to a Foundation created with your approval. The price at which such shares would be sold by Benpres would be equal to the net assets of MSC related to such shares in which all assets of MSC would be valued at present value, except that MSC's holdings at capital stock of Manila Electric Company ("MECO") would be valued on the basis of the present value of MECO's assets at December 31, 1968, as previously determined by the Philippine Public Service Commission and approved by the Philippine Supreme Court, plus subsequent net additions at cost. The Foundation's obligation to make payment for this purchase price would be limited to dividends and distributions received by it with respect to the MSC shares (or, if MSC should be subsequently dissolved, upon distributions on the securities and other assets received by the Foundation as a result of such dissolution). Based upon data as of June 30, 1973, the aggregate sale price to the Foundation to be thus received by Benpres would be approximately P133 million, net of the balance of Benpres' subscription for founders' shares of MSC amounting to about P9.6 million.

Benpres had outstanding at June 30, 1973 aggregate indebtedness of approximately P81.9 million. The purchase price to be paid by the Foundation would be evidenced by (1) a note of the Foundation payable to the order of Benpres' bank creditors in a principal amount equal to Benpres' indebtedness to such banks and (2) a note payable to Benpres for the balance of such purchase price. It is proposed that the Foundation's note to the banks be predicated on amortization over a period of eight years beginning with the third year following consummation of the sale with amortization installments being paid quarterly. Amortization of the principal of the notes to the banks and to Benpres would be pro rata.

First National City Bank has already agreed to restructure Benpres' indebtedness substantially under the terms and conditions described above. Moreover, we have been able to get its consent that the interest rate on the Foundation's note to

FNCB would be set at the current rates Benpres is paying for its loans to FNCB minus one-half percent in consideration of the proposed security to be provided by the Philippine National Bank under this loan restructuring. Please note that a principal condition of FNCB is PNB's agreement to grant the Foundation a clean letter of credit in an amount equal to both the principal and interest to secure its indebtedness. We expect to get a similar consent from the other major creditors of Benpres within this week.

Upon acceptance of this offer, Benpres will immediately execute, in favor of whomsoever your Excellency will designate, a voting trust. In addition, I will ask the individual members of our families to execute the necessary proxies in favor of whomsoever your Excellency will designate.

I trust, your Excellency, that you will approve the foregoing plan so that it can be implemented in the shortest time possible. If you wish to make any modifications of this plan, please feel free to do so because, as I had told you in my letter of March 20, I feel you are in the best position to determine where the greatest good of our people lies and because I have full faith and confidence in your judgment and fairness.

Very sincerely yours,

Eugenio Lopez

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